

CONFERENCE COMMITTEE REPORT DIGEST FOR EHB 1499

Citations Affected: IC 4-21.5-5-6; IC 6-1.1; IC 6-1.5; IC 14-23-3-3; IC 15-1.5-8-1; IC 33-3-5; IC 36-2-7-13; IC 36-6-8-5; IC 36-6-8-6.

Synopsis: Property tax issues. Provides that the next general reassessment of real property shall be completed on or before March 1, 2002, instead of March 1, 2001. Provides for the annual adjustment of assessed value of real property beginning with the 2006 assessment date. Establishes a county land valuation commission in each county for determination of land values for property tax purposes. Abolishes the state board of tax commissioners and creates the department of local government finance (DLGF), which is a state agency under the direction of a commissioner. Establishes the division of data analysis of the DLGF. Permits the DLGF to determine the real property tax assessment for a major industrial property if at least two hundred fifty property owners in the township petition for the assessment. Requires the DLGF to audit a sampling of personal property tax returns. Requires the governor to appoint two individuals to participate in the approval process for rules proposed by the DLGF. Requires each county treasurer to establish a county sales disclosure fund, and specifies permitted uses of the fund. Amends the restrictions on qualification for membership on the county property tax assessment board of appeals. Amends assessor training and certification requirements. Provides for increased compensation for certain assessing officials who have attained level two assessor certification. Authorizes per diem compensation for an assessor for service on a county land valuation commission. Provides that a notice is not required to change a taxpayer's assessment as a result of assessed value changing from one-third to 100% of true tax value. Establishes the assessment training fund. Divides the state forestry state property tax rate by 3 to conform with the switch to 100% true tax value, and directs a portion of the taxes collected for DLGF data base management. Requires assessors to maintain electronic files of assessing information to be transmitted to state officials. Requires the use of the posted price of oil on the assessment date in the assessment of certain oil interests. (Current law uses a multiplier of 1/3 the posted price.) Defines unadjusted assessed value as the assessed value determined by local assessing officials and the DLGF before the application of an annual adjustment. Provides for the use of unadjusted assessed values within the computation of a civil taxing unit's assessed value growth quotient. Permits the use of money in a county's general reassessment fund resulting from taxes levied for the 2005 general reassessment of real property for expenses relating to the current general reassessment if the county council determines that the money in the fund is insufficient to pay those expenses. Provides for the withholding from local units of property tax replacement

revenue if local officials fail to provide timely information to state officials, unless the failure was justified by unusual circumstances. Raises from 50 to 150 the acreage of certain organizations eligible for exemption from property taxes. Provides a property tax deduction for certain real property that: (1) is located in an enterprise zone in Marion County; and (2) was allowed an obsolescence depreciation adjustment for property taxes assessed in the year before the owner purchased the property. Provides that the deduction is allowed only if the county fiscal body of the county in which the property is located approves the deduction. Provides that an extension of not more than thirty days is permitted for filing a personal property tax return. Provides that errors on a personal property tax return are subject correction only by filing an amended return, and that interest does not apply to resultant refunds. Permits a taxpayer to claim an adjustment or exemption on an amended personal property tax return that was not claimed on the original return. Provides for the application of a federally determined interest rate to tax payments resulting from resolution of disputed personal property assessments. Creates a state agency, the Indiana board of tax review (Indiana board), to hear appeals from determinations of county property tax assessment boards of appeal and the DLGF. The Indiana board consists of three members appointed by the governor. Provides that the Indiana board is subject to the statutes on adjudicative proceedings that apply to other state agencies, except that determinations of the Indiana board are appealable to the Indiana tax court. Requires the Indiana board to give notice of the date fixed for a hearing at least 30 days before the date. Specifies the period within which the Indiana board must hold a hearing on an appeal petition. Requires the Indiana board to issue a determination of an appeal not more than 90 days after the hearing (180 days for appeals of real property assessments in a general reassessment year). Requires the attorney general to represent local assessing officials as defendants before the tax court. Establishes standards for the tax court concerning admission of new evidence and review of Indiana board determinations. Provides that a local government official or body that made an original determination is a party to all appeal proceedings concerning the determination. Specifies the documents and items to be included in the record for judicial review. Provides that determinations by the Indiana board are not required to be based on the record generated in the proceedings before county property tax assessment boards of appeal or the DLGF. Requires that determinations by the tax court be based on the record generated in the proceedings before the Indiana board. Addresses circumstances under which a taxpayer must be represented by an attorney with respect to property tax matters. Provides that if the county assessor is a certified level 2 assessor-appraiser, the board of county commissioners may waive the requirement that one of the freehold members appointed by the board to the county property tax assessment board of appeals must be a certified level 2 assessor-appraiser. Allows the county assessor, fiscal body, and commissioners, if necessary, to waive the requirement that not more than three of the five members of the county property tax assessment board of appeals may be members of the same political party. Also allows a waiver, if necessary, of the requirement that at least three members of the county property tax assessment board of appeals must be residents of the county. Requires the DLGF to report the assessed value of all exempt property before December 1, 2004. Requires the DLGF to report before December 31, 2004, the: (1) qualified assessed value of government owned property in Center Township, Marion County; and (2) tax rates that would have been in effect if that property had been taxable. Provides for filing of property tax exemption applications every two years instead of every four years. Provides that the county auditor must provide copies of exemption applications to the county assessor. Requires a nonprofit organization applying for a property tax exemption to attest that the property is not being used for an unrelated business. Requires an exempt organization to notify the assessor if the use of the property has changed and the property is taxable. Requires the county property tax assessment board of appeals to review each exemption in 2002 to determine whether the property still qualifies for the exemption. Requires the approval of a property tax exemption under certain circumstances in a qualifying city. Provides that tangible property owned by an Indiana nonprofit corporation and used by that corporation in the operation of a hospital is exempt from property taxation. Provides in Marion County that the county assessor does not review appropriations from the county reassessment fund, and that the township assessors instead of the county assessor select the computer system used for assessment purposes. Approves a retroactive property tax exemption for a qualifying

corporation. Directs the Indiana code revision commission to correct code references related to the abolition of the state board of tax commissioners and the creation of the DLGF and the Indiana board. (This conference committee report replaces the entire bill.)

Effective: Upon passage; January 1, 1999 (retroactive); January 1, 2000 (retroactive); July 1, 2000 (retroactive); January 1, 2001 (retroactive); March 1, 2001 (retroactive); July 1, 2001; January 1, 2002; July 1, 2002.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT:

Your Conference Committee appointed to confer with a like committee from the House upon Engrossed Senate Amendments to Engrossed House Bill No. 1499 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 taxation and to make an appropriation.
- 4 Delete everything after the enacting clause and insert the following:
- 5 SECTION 1. IC 4-21.5-2-4 IS AMENDED TO READ AS
- 6 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 4. (a) This article
- 7 does not apply to any of the following agencies:
- 8 (1) The governor.
- 9 (2) The state board of accounts.
- 10 (3) The state educational institutions (as defined by
- 11 IC 20-12-0.5-1).
- 12 (4) The department of workforce development.
- 13 (5) The unemployment insurance review board of the department
- 14 of workforce development.
- 15 (6) The worker's compensation board.
- 16 (7) The military officers or boards.
- 17 (8) The Indiana utility regulatory commission.
- 18 (9) The department of state revenue (excluding an agency action
- 19 related to the licensure of private employment agencies).
- 20 ~~(10) The state board of tax commissioners.~~
- 21 (b) This article does not apply to action related to railroad rate and
- 22 tariff regulation by the Indiana department of transportation.

SECTION 2. IC 4-21.5-2-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 6. (a) This article does not apply to the formulation, issuance, or administrative review (but does, **except as provided in subsection (b)**, apply to the judicial review and civil enforcement) of any of the following:

- (1) Determinations by the division of family and children.
- (2) Determinations by the Indiana alcoholic beverage commission.
- (3) Determinations by the office of Medicaid policy and planning concerning recipients and applicants of Medicaid. However, this article does apply to determinations by the office of Medicaid policy and planning concerning providers.

(4) **A final determination of the Indiana board of tax review.**

(b) **IC 4-21.5-5-12 and IC 4-21.5-5-14 do not apply to judicial review of a final determination of the Indiana board of tax review.**

SECTION 3. IC 4-21.5-5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 6. (a) **Except as provided in subsection (e)**, venue is in the judicial district where:

- (1) the petitioner resides or maintains a principal place of business;
- (2) the agency action is to be carried out or enforced; or
- (3) the principal office of the agency taking the agency action is located.

(b) If more than one (1) person may be aggrieved by the agency action, only one (1) proceeding for review may be had, and the court in which a petition for review is first properly filed has jurisdiction.

(c) The rules of procedure governing civil actions in the courts govern pleadings and requests under this chapter for a change of judge or change of venue to another judicial district described in subsection (a).

(d) Each person who was a party to the proceeding before the agency is a party to the petition for review.

(e) **Venue with respect to judicial review of an action of the Indiana board of tax review is in the tax court.**

SECTION 4. IC 6-1.1-1-8.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: **Sec. 8.3. "Indiana board" refers to the Indiana board of tax review established by IC 6-1.5-2-1.**

SECTION 5. IC 6-1.1-3-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 7. (a) Except as provided in subsections (b) and (d), a taxpayer shall, on or before the filing date of each year, file a personal property return with the assessor of each township in which the taxpayer's personal property is subject to assessment.

(b) The township assessor may grant a taxpayer **a an extension of not more than thirty (30) day extension days** to file the taxpayer's return if:

- (1) the taxpayer submits a written application for an extension prior to the filing date; and
- (2) the taxpayer is prevented from filing a timely return because of sickness, absence from the county, or any other good and sufficient reason.

(c) If the sum of the assessed values reported by a taxpayer on the

business personal property returns which the taxpayer files with the township assessor for a year exceeds one hundred fifty thousand dollars (\$150,000), the taxpayer shall file each of the returns in duplicate.

(d) A taxpayer may file a consolidated return with the county assessor if the taxpayer has personal property subject to assessment in more than one (1) township in a county and the total assessed value of the personal property in the county is less than one million five hundred thousand dollars (\$1,500,000). A taxpayer filing a consolidated return shall attach a schedule listing, by township, all the taxpayer's personal property and the property's assessed value. A taxpayer filing a consolidated return is not required to file a personal property return with the assessor of each township. A taxpayer filing a consolidated return shall provide the following:

(1) The county assessor with the information necessary for the county assessor to allocate the assessed value of the taxpayer's personal property among the townships listed on the return, including the street address, the township, and the location of the property.

(2) A copy of the consolidated return, with attachments, for each township listed on the return.

(e) The county assessor shall provide to each affected township assessor in the county all information filed by a taxpayer under subsection (d) that affects the township. The county assessor shall provide the information before:

(1) May 25 of each year, for a return filed on or before the filing date for the return; or

(2) June 30 of each year, for a return filed after the filing date for the return.

(f) The township assessor shall send all required notifications to the taxpayer.

(g) The county assessor may refuse to accept a consolidated personal property tax return that does not have attached to it a schedule listing, by township, all the personal property of the taxpayer and the assessed value of the property as required under subsection (d). For purposes of IC 6-1.1-37-7, a consolidated return is filed on the date it is filed with the county assessor with the schedule of personal property and assessed value attached.

SECTION 6. IC 6-1.1-3-7.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 7.5. (a) A taxpayer may file an amended personal property tax return, in conformity with the rules adopted by the state board of tax commissioners **(before the board was abolished) or the department of local government finance**, not more than six (6) months after the later of the following:

(1) The filing date for the original personal property tax return. if the taxpayer is not granted an extension in which to file under section 7 of this chapter.

(2) The extension date for the original personal property tax return, if the taxpayer is granted an extension under section 7 of this chapter.

(b) A tax adjustment related to an amended personal property tax return shall be made in conformity with rules adopted under IC 4-22-2

by the state board of tax commissioners (before the board was abolished) or the department of local government finance.

(c) If a taxpayer wishes to correct an error made by the taxpayer on the taxpayer's original personal property tax return, the taxpayer must file an amended personal property tax return under this section within the time required by subsection (a). A taxpayer may claim on an amended personal property tax return any adjustment or exemption that would have been allowable under any statute or rule adopted by the state board of tax commissioners (before the board was abolished) or the department of local government finance if the adjustment or exemption had been claimed on the original personal property tax return.

(d) Notwithstanding any other provision, if:

(1) a taxpayer files an amended personal property tax return under this section in order to correct an error made by the taxpayer on the taxpayer's original personal property tax return; and

(2) the taxpayer is entitled to a refund of personal property taxes paid by the taxpayer under the original personal property tax return;

the taxpayer is not entitled to interest on the refund.

(e) If a taxpayer files an amended personal property tax return for a year before July 16 of that year, the taxpayer shall pay taxes payable in the immediately succeeding year based on the assessed value reported on the amended return.

(f) If a taxpayer files an amended personal property tax return for a year after July 15 of that year, the taxpayer shall pay taxes payable in the immediately succeeding year based on the assessed value reported on the taxpayer's original personal property tax return. A taxpayer that paid taxes under this subsection is entitled to a credit in the amount of taxes paid by the taxpayer on the remainder of:

(1) the assessed value reported on the taxpayer's original personal property tax return; minus

(2) the finally determined assessed value that results from the filing of the taxpayer's amended personal property tax return.

Except as provided in subsection (k), the county auditor shall apply the credit against the taxpayer's property taxes on personal property payable in the year that immediately succeeds the year in which the taxes were paid.

(g) If the amount of the credit to which the taxpayer is entitled under subsection (f) exceeds the amount of the taxpayer's property taxes on personal property payable in the year that immediately succeeds the year in which the taxes were paid, the county auditor shall apply the amount of the excess credit against the taxpayer's property taxes on personal property in the next succeeding year.

(h) Not later than December 31 of the year in which a credit is applied under subsection (g), the county auditor shall refund to the taxpayer the amount of any excess credit that remains after application of the credit under subsection (g).

(i) The taxpayer is not required to file an application for:

(1) a credit under subsection (f) or (g); or

(2) a refund under subsection (h).

(j) Before August 1 of each year, the county auditor shall provide to each taxing unit in the county an estimate of the total amount of the credits under subsection (f) or (g) that will be applied against taxes imposed by the taxing unit that are payable in the immediately succeeding year.

(k) A county auditor may refund a credit amount to a taxpayer before the time the credit would otherwise be applied against property tax payments under this section.

SECTION 7. IC 6-1.1-4-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000 (RETROACTIVE)]: Sec. 4. (a) A general reassessment, involving a physical inspection of all real property in Indiana, shall begin July 1, ~~1999~~, 2000, and each fourth year thereafter. Each reassessment shall be completed on or before March 1, of the immediately following ~~odd-numbered~~ even-numbered year, and shall be the basis for taxes payable in the year following the year in which the general assessment is to be completed.

(b) In order to ensure that assessing officials and members of each county property tax assessment board of appeals are prepared for a general reassessment of real property, the state board of tax commissioners shall give adequate advance notice of the general reassessment to the county and township taxing officials of each county.

SECTION 8. IC 6-1.1-4-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 4.5. (a) The department of local government finance shall adopt rules establishing a system for annually adjusting the assessed value of real property to account for changes in value in those years since a general reassessment of property last took effect.

(b) The system must be applied to adjust assessed values beginning with the 2006 assessment date and each year thereafter that is not a year in which a reassessment becomes effective.

(c) The system must have the following characteristics:

(1) Promote uniform and equal assessment of real property within and across classifications.

(2) Apply all objectively verifiable factors used in mass valuation techniques that are reasonably expected to affect the value of real property in Indiana.

(3) Prescribe as many adjustment percentages and whatever categories of percentages the department of local government finance finds necessary to achieve objectively verifiable updated just valuations of real property. An adjustment percentage for a particular classification may be positive or negative.

(4) Prescribe procedures, including computer software programs, that permit the application of the adjustment percentages in an efficient manner by assessing officials.

SECTION 9. IC 6-1.1-4-12.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2001 (RETROACTIVE)]: Sec.

12.5. (a) For purposes of this section, the term "secondary recovery method" includes but is not limited to the stimulation of oil production by means of the injection of water, steam, hydrocarbons, or chemicals, or by means ~~of~~ in situ combustion.

(b) The total assessed value of all interests in the oil located on or beneath the surface of a particular tract of land equals the product of (1) the average daily production of the oil, multiplied by (2) three hundred sixty-five (365), and further multiplied by (3) ~~one-third (1/3)~~ ~~of~~ the posted price of oil on the assessment date. However, if the oil is being extracted by use of a secondary recovery method, the total assessed value of all interests in the oil equals one-half (1/2) the assessed value computed under the formula prescribed in this subsection. The appropriate township assessor shall, in the manner prescribed by the state board of tax commissioners, apportion the total assessed value of all interests in the oil among the owners of those interests.

(c) The appropriate township assessor shall, in the manner prescribed by the state board of tax commissioners, determine and apportion the total assessed value of all interests in the gas located beneath the surface of a particular tract of land.

(d) The state board of tax commissioners shall prescribe a schedule for township assessors to use in assessing the appurtenances described in section 12.4 (c) of this chapter.

SECTION 10. IC 6-1.1-4-12.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: **Sec. 12.6. (a) For purposes of this section, the term "secondary recovery method" includes but is not limited to the stimulation of oil production by means of the injection of water, steam, hydrocarbons, or chemicals, or by means of in situ combustion.**

(b) The total assessed value of all interests in the oil located on or beneath the surface of a particular tract of land equals the product of:

- (1) the average daily production of the oil; multiplied by**
- (2) three hundred sixty-five (365); and multiplied by**
- (3) the posted price of oil on the assessment date.**

However, if the oil is being extracted by use of a secondary recovery method, the total assessed value of all interests in the oil equals one-half (1/2) the assessed value computed under the formula prescribed in this subsection. The appropriate township assessor shall, in the manner prescribed by the department of local government finance, apportion the total assessed value of all interests in the oil among the owners of those interests.

(c) The appropriate township assessor shall, in the manner prescribed by the department of local government finance, determine and apportion the total assessed value of all interests in the gas located beneath the surface of a particular tract of land.

(d) The department of local government finance shall prescribe a schedule for township assessors to use in assessing the appurtenances described in section 12.4 (c) of this chapter.

SECTION 11. IC 6-1.1-4-13.8 IS ADDED TO THE INDIANA

CODE AS A NEW SECTION TO READ AS FOLLOWS
 [EFFECTIVE JULY 1, 2002]: **Sec. 13.8. (a) As used in this section, "commission" refers to a county land valuation commission established under subsection (b).**

(b) A county land valuation commission is established in each county for the purpose of determining the value of commercial, industrial, and residential land (including farm homesites) in the county.

(c) The county assessor is chairperson of the commission.

(d) The following are members of the commission:

(1) The county assessor. The county assessor shall cast a vote only to break a tie.

(2) Each township assessor, when the respective township land values for that township assessor's township are under consideration. A township assessor serving under this subdivision shall vote on all matters relating to the land values of that township assessor's township.

(3) One (1) township assessor from the county to be appointed by a majority vote of all the township assessors in the county.

(4) One (1) county resident who:

(A) holds a license under IC 25-34.1-3 as a salesperson or broker; and

(B) is appointed by:

(i) the board of commissioners (as defined in IC 36-3-3-10) for a county having a consolidated city; or

(ii) the county executive (as defined in IC 36-1-2-5) for a county not described in item (i).

(5) Four (4) individuals who:

(A) are appointed by the county executive (as defined in IC 36-1-2-5); and

(B) represent one (1) of the following four (4) kinds of land in the county:

(i) Agricultural.

(ii) Commercial.

(iii) Industrial.

(iv) Residential.

Each of the four (4) kinds of land in the county must be represented by one (1) individual appointed under this subdivision.

(6) One (1) individual who:

(A) represents financial institutions in the county; and

(B) is appointed by:

(i) the board of commissioners (as defined in IC 36-3-3-10) for a county having a consolidated city; or

(ii) the county executive (as defined in IC 36-1-2-5) for a county not described in item (i).

(e) The term of each member of the commission begins November 1 of the year that precedes by two (2) years the year in which a general reassessment begins under IC 6-1.1-4-4, and ends January 1 of the year in which the general reassessment begins under IC 6-1.1-4-4. The appointing authority may fill a vacancy for

1 the remainder of the vacated term.

2 (f) The commission shall determine the values of all classes of
3 commercial, industrial, and residential land (including farm
4 homesites) in the county using guidelines determined by the
5 department of local government finance. Not later than November
6 1 of the year preceding the year in which a general reassessment
7 begins, the commission determining the values of land shall submit
8 the values, all data supporting the values, and all information
9 required under rules of the department of local government
10 finance relating to the determination of land values to the county
11 property tax assessment board of appeals and the department of
12 local government finance. Not later than January 1 of the year in
13 which a general reassessment begins, the county property tax
14 assessment board of appeals shall hold a public hearing in the
15 county concerning those values. The property tax assessment board
16 of appeals shall give notice of the hearing in accordance with
17 IC 5-3-1 and shall hold the hearing after March 31 of the year
18 preceding the year in which the general reassessment begins and
19 before January 1 of the year in which the general reassessment
20 under IC 6-1.1-4-4 begins.

21 (g) The county property tax assessment board of appeals shall
22 review the values, data, and information submitted under
23 subsection (f) and may make any modifications it considers
24 necessary to provide uniformity and equality. The county property
25 tax assessment board of appeals shall coordinate the valuation of
26 property adjacent to the boundaries of the county with the county
27 property tax assessment boards of appeals of the adjacent counties
28 using the procedures adopted by rule under IC 4-22-2 by the
29 department of local government finance. If the commission fails to
30 submit land values under subsection (f) to the county property tax
31 assessment board of appeals before January 1 of the year the
32 general reassessment under IC 6-1.1-4-4 begins, the county
33 property tax assessment board of appeals shall determine the
34 values.

35 (h) The county property tax assessment board of appeals shall
36 give notice to the county and township assessors of its decision on
37 the values. The notice must be given before March 1 of the year the
38 general reassessment under IC 6-1.1-4-4 begins. Not later than
39 twenty (20) days after that notice, the county assessor or a
40 township assessor in the county may request that the county
41 property tax assessment board of appeals reconsider the values.
42 The county property tax assessment board of appeals shall hold a
43 hearing on the reconsideration in the county. The county property
44 tax assessment board of appeals shall give notice of the hearing
45 under IC 5-3-1.

46 (i) Not later than twenty (20) days after notice to the county and
47 township assessor is given under subsection (h), a taxpayer may
48 request that the county property tax assessment board of appeals
49 reconsider the values. The county property tax assessment board
50 of appeals may hold a hearing on the reconsideration in the county.
51 The county property tax assessment board of appeals shall give

notice of the hearing under IC 5-3-1.

(j) A taxpayer may appeal the value determined under this section as applied to the taxpayer's land as part of an appeal filed under IC 6-1.1-15 after the taxpayer has received a notice of assessment. If a taxpayer that files an appeal under IC 6-1.1-15 requests the values, data, or information received by the county property tax assessment board of appeals under subsection (f), the county property tax assessment board of appeals shall satisfy the request. The department of local government finance may modify the taxpayer's land value and the value of any other land in the township, the county where the taxpayer's land is located, or the adjacent county if the department of local government finance determines it is necessary to provide uniformity and equality.

(k) The county assessor shall notify all township assessors in the county of the values as determined by the commission and as modified by the county property tax assessment board of appeals or department of local government finance under this section. Township assessors shall use the values determined under this section.

SECTION 12. IC 6-1.1-4-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) A township assessor, a group of township assessors, or the county assessor may not utilize the services of a professional appraiser for assessment or reassessment purposes without a written contract. The contract used must be either a standard contract developed by the state board of tax commissioners or a contract which has been specifically approved by the state board of tax commissioners. **The state board of tax commissioners shall ensure that the contract:**

(1) includes all of the provisions required under section 19(b) of this chapter; and

(2) adequately provides for the creation and transmission of real property assessment data in the form required by the legislative services agency and the division of data analysis of the department.

(b) No contract shall be made with any professional appraiser to act as technical advisor in the assessment of property, before the giving of notice and the receiving of bids from anyone desiring to furnish this service. Notice of the time and place for receiving bids for the contract shall be given by publication by one (1) insertion in two (2) newspapers of general circulation published in the county and representing each of the two (2) leading political parties in the county; or if only one (1) newspaper is there published, notice in that one (1) newspaper is sufficient to comply with the requirements of this subsection. The contract shall be awarded to the lowest and best bidder who meets all requirements under law for entering a contract to serve as technical advisor in the assessment of property. However, any and all bids may be rejected, and new bids may be asked.

~~(b)~~ (c) The county council of each county shall appropriate the funds needed to meet the obligations created by a professional appraisal services contract which is entered into under this chapter.

SECTION 13. IC 6-1.1-4-18.5 IS ADDED TO THE INDIANA

CODE AS A NEW SECTION TO READ AS FOLLOWS
 [EFFECTIVE JANUARY 1, 2002]: **Sec. 18.5. (a) A township assessor, a group of township assessors, or the county assessor may not use the services of a professional appraiser for assessment or reassessment purposes without a written contract. The contract used must be either a standard contract developed by the state board of tax commissioners (before the board was abolished) or the department of local government finance or a contract which has been specifically approved by the board or the department. The department shall ensure that the contract:**

(1) includes all of the provisions required under section 19.5(b) of this chapter; and

(2) adequately provides for the creation and transmission of real property assessment data in the form required by the legislative services agency and the division of data analysis of the department.

(b) No contract shall be made with any professional appraiser to act as technical advisor in the assessment of property, before the giving of notice and the receiving of bids from anyone desiring to furnish this service. Notice of the time and place for receiving bids for the contract shall be given by publication by one (1) insertion in two (2) newspapers of general circulation published in the county and representing each of the two (2) leading political parties in the county; or if only one (1) newspaper is there published, notice in that one (1) newspaper is sufficient to comply with the requirements of this subsection. The contract shall be awarded to the lowest and best bidder who meets all requirements under law for entering a contract to serve as technical advisor in the assessment of property. However, any and all bids may be rejected, and new bids may be asked.

(c) The county council of each county shall appropriate the funds needed to meet the obligations created by a professional appraisal services contract which is entered into under this chapter.

SECTION 14. IC 6-1.1-4-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 19. (a) The state board of tax commissioners shall develop a standard contract, or standard provisions for contracts, to be used in securing professional appraising services.**

(b) The standard contract, or contract provisions, shall contain:

(1) a fixed date by which the professional appraiser or appraisal firm shall have completed all responsibilities under the contract;

(2) a penalty clause under which the amount to be paid for appraisal services is decreased for failure to complete specified services within the specified time;

(3) a provision requiring the appraiser, or appraisal firm, to make periodic reports to the township assessors involved;

(4) a provision stipulating the manner in which, and the time intervals at which, the periodic reports referred to in clause (3) of this subsection are to be made; and

(5) a precise stipulation of what service or services are to be provided and what class or classes of property are to be appraised;

(6) a provision stipulating that the contractor will generate complete parcel characteristics and parcel assessment data in a manner and format acceptable to the legislative services agency and the state board of tax commissioners; and

(7) a provision stipulating that the legislative services agency and the state board of tax commissioners have unrestricted access to the contractor's work product under the contract.

The state board of tax commissioners may devise other necessary provisions for the contracts in order to give effect to the provisions of this chapter.

(c) In order to comply with the duties assigned to it by this section, the state board of tax commissioners may develop:

(1) one (1) or more model contracts;

(2) one (1) contract with alternate provisions; or

(3) any combination of clauses (1) and (2) of this subsection.

The board may approve special contract language in order to meet any unusual situations.

SECTION 15. IC 6-1.1-4-19.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: **Sec. 19.5. (a) The department of local government finance shall develop a standard contract or standard provisions for contracts to be used in securing professional appraising services.**

(b) The standard contract or contract provisions must contain:

(1) a fixed date by which the professional appraiser or appraisal firm shall have completed all responsibilities under the contract;

(2) a penalty clause under which the amount to be paid for appraisal services is decreased for failure to complete specified services within the specified time;

(3) a provision requiring the appraiser, or appraisal firm, to make periodic reports to the township assessors involved;

(4) a provision stipulating the manner in which, and the time intervals at which, the periodic reports referred to in subdivision (3) of this subsection are to be made;

(5) a precise stipulation of what service or services are to be provided and what class or classes of property are to be appraised;

(6) a provision stipulating that the contractor will generate complete parcel characteristics and parcel assessment data in a manner and format acceptable to the legislative services agency and the department of local government finance; and

(7) a provision stipulating that the legislative services agency and the department of local government finance have unrestricted access to the contractor's work product under the contract.

The department of local government finance may devise other necessary provisions for the contracts in order to give effect to the provisions of this chapter.

(c) In order to comply with the duties assigned to it by this section, the department of local government finance may develop:

- (1) one (1) or more model contracts;
- (2) one (1) contract with alternate provisions; or
- (3) any combination of subdivisions (1) and (2).

The department may approve special contract language in order to meet any unusual situations.

SECTION 16. IC 6-1.1-4-25 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 25. (a) Each township assessor shall keep ~~his~~ **the assessor's** reassessment data and records current by securing the necessary field data and by making changes in the assessed value of real property as changes occur in the use of the real property. ~~His~~ **The township assessor's** records shall at all times show the assessed value of real property in accordance with the provisions of this chapter. The township assessor shall ensure that the county assessor has full access to the assessment records maintained by the township assessor.

(b) The township assessor in a county having a consolidated city, or the county assessor in every other county, shall:

- (1) maintain an electronic data file of the parcel characteristics and parcel assessments of all parcels for each township in the county as of each assessment date that is in the form required by:**

- (A) the legislative services agency; and**
- (B) the department of local government finance; and**
- (2) transmit the data with respect to the assessment date of each year before October 1 of the year to:**
- (A) the legislative services agency; and**
- (B) the department of local government finance.**

SECTION 17. IC 6-1.1-4-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 27. (a) The auditor of each county shall establish a property reassessment fund. The county treasurer shall deposit all collections resulting from the property taxes that the county is required to levy under this section in the county's property reassessment fund.

(b) With respect to the general reassessment of real property which is to commence on July 1, ~~1999~~, **2004**, the county council of each county shall, for property taxes due in the year in which the general reassessment is to commence and the ~~three (3)~~ **two (2)** years immediately preceding that year, levy against all the taxable property of the county an amount equal to ~~one-third (1/3)~~ **one-third (1/3)** of the estimated cost of the general reassessment.

(c) With respect to a general reassessment of real property that is to commence on July 1, ~~2003~~, **2008**, and each fourth year thereafter, the county council of each county shall, for property taxes due in the year that the general reassessment is to commence and the three (3) years preceding that year, levy against all the taxable property in the county an amount equal to one-fourth (1/4) of the estimated cost of the general reassessment.

(d) The state board of tax commissioners shall give to each county council notice, before January 1, of the tax levies required by this section.

(e) The state board of tax commissioners may raise or lower the

property taxes levied under this section for a year if they determine it is appropriate because the estimated cost of the general reassessment has changed.

(f) If the county council determines that there is insufficient money in the county's reassessment fund to pay all expenses (as permitted under section 28 of this chapter) relating to the general reassessment of real property commencing July 1, 2000, the county may, for the purpose of paying expenses (as permitted under section 28 of this chapter) relating to the general reassessment commencing July 1, 2000, use money deposited in the fund from taxes levied in 2000 or a later year.

SECTION 18. IC 6-1.1-4-27.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: **Sec. 27.5. (a) The auditor of each county shall establish a property reassessment fund. The county treasurer shall deposit all collections resulting from the property taxes that the county is required to levy under this section in the county's property reassessment fund.**

(b) With respect to the general reassessment of real property which is to commence on July 1, 2004, the county council of each county shall, for property taxes due in the year in which the general reassessment is to commence and the two (2) years immediately preceding that year, levy against all the taxable property of the county an amount equal to one-third (1/3) of the estimated cost of the general reassessment.

(c) With respect to a general reassessment of real property that is to commence on July 1, 2008, and each fourth year thereafter, the county council of each county shall, for property taxes due in the year that the general reassessment is to commence and the three (3) years preceding that year, levy against all the taxable property in the county an amount equal to one-fourth (1/4) of the estimated cost of the general reassessment.

(d) The state board of tax commissioners or the department of local government finance shall give to each county council notice, before January 1, of the tax levies required by this section.

(e) The state board of tax commissioners or the department of local government finance may raise or lower the property taxes levied under this section for a year if the state board or the department determines it is appropriate because the estimated cost of the general reassessment has changed.

(f) If the county council determines that there is insufficient money in the county's reassessment fund to pay all expenses (as permitted under section 28 of this chapter) relating to the general reassessment of real property commencing July 1, 2000, the county may, for the purpose of paying expenses (as permitted under section 28 of this chapter) relating to the general reassessment commencing July 1, 2000, use money deposited in the fund from taxes levied in 2000 or a later year.

SECTION 19. IC 6-1.1-4-28 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 28. (a) Money assigned to a property reassessment fund under section 27 of this**

chapter may be used only to pay the costs of:

- (1) the general reassessment of real property, including the computerization of assessment records;
- (2) payments to county assessors, members of property tax assessment boards of appeals, or assessing officials under IC 6-1.1-35.2;
- (3) the development or updating of detailed soil survey data by the United States Department of Agriculture or its successor agency;
- (4) the updating of plat books; and
- (5) payments for the salary of permanent staff or for the contractual services of temporary staff who are necessary to assist county assessors, members of a county property tax assessment board of appeals, and assessing officials.

(b) All counties shall use modern, detailed soil maps in the general reassessment of agricultural land.

(c) The county treasurer of each county shall, in accordance with IC 5-13-9, invest any money accumulated in the property reassessment fund until the money is needed to pay general reassessment expenses. Any interest received from investment of the money shall be paid into the property reassessment fund.

(d) An appropriation under this section must be approved by the fiscal body of the county after the review and recommendation of the county assessor. However, in a county with an elected township assessor under IC 36-6-5-1 in every township, **the county assessor does not review an appropriation under this section, and** only the fiscal body must approve an appropriation under this section.

SECTION 20. IC 6-1.1-4-28.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: **Sec. 28.5. (a) Money assigned to a property reassessment fund under section 27.5 of this chapter may be used only to pay the costs of:**

- (1) the general reassessment of real property, including the computerization of assessment records;**
- (2) payments to county assessors, members of property tax assessment boards of appeals, or assessing officials under IC 6-1.1-35.2;**
- (3) the development or updating of detailed soil survey data by the United States Department of Agriculture or its successor agency;**
- (4) the updating of plat books; and**
- (5) payments for the salary of permanent staff or for the contractual services of temporary staff who are necessary to assist county assessors, members of a county property tax assessment board of appeals, and assessing officials.**

(b) All counties shall use modern, detailed soil maps in the general reassessment of agricultural land.

(c) The county treasurer of each county shall, in accordance with IC 5-13-9, invest any money accumulated in the property reassessment fund until the money is needed to pay general reassessment expenses. Any interest received from investment of the money shall be paid into the property reassessment fund.

(d) An appropriation under this section must be approved by the

1 **fiscal body of the county after the review and recommendation of**
 2 **the county assessor. However, in a county with an elected township**
 3 **assessor under IC 36-6-5-1 in every township, the county assessor**
 4 **does not review an appropriation under this section, and only the**
 5 **fiscal body must approve an appropriation under this section.**

6 SECTION 21. IC 6-1.1-5.5-4 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 4. A person filing a
 8 sales disclosure form under this chapter shall pay a fee of five dollars
 9 (\$5) to the county auditor. Eighty percent (80%) of the revenue shall be
 10 deposited in the county ~~general fund~~; **sales disclosure fund**
 11 **established under section 4.5 of this chapter.** Twenty percent (20%)
 12 of the revenue shall be transferred to the state treasurer for deposit in
 13 the state ~~general fund~~; **assessment training fund established under**
 14 **section 4.7 of this chapter.**

15 SECTION 22. IC 6-1.1-5.5-4.5 IS ADDED TO THE INDIANA
 16 CODE AS A NEW SECTION TO READ AS FOLLOWS
 17 [EFFECTIVE JULY 1, 2001]: Sec. 4.5. (a) **The fiscal body of each**
 18 **county shall establish a sales disclosure fund. The county auditor**
 19 **shall deposit into the fund the money received under section 4 of**
 20 **this chapter. Money in the sales disclosure fund may be expended**
 21 **only for:**

- 22 (1) **administration of this chapter;**
- 23 (2) **verification of the information contained on a sales**
 24 **disclosure form;**
- 25 (3) **training of assessing officials; or**
- 26 (4) **purchasing computer software or hardware for a property**
 27 **record system.**

28 (b) **The county fiscal body shall appropriate the money in the**
 29 **sales disclosure fund for the purposes stated in subsection (a) based**
 30 **on requests by assessing officials in the county.**

31 SECTION 23. IC 6-1.1-5.5-4.7 IS ADDED TO THE INDIANA
 32 CODE AS A NEW SECTION TO READ AS FOLLOWS
 33 [EFFECTIVE JULY 1, 2001]: Sec. 4.7. (a) **The assessment training**
 34 **fund is established for the purpose of receiving fees deposited**
 35 **under section 4 of this chapter for the training of assessment**
 36 **officials and employees of the state board of tax commissioners or**
 37 **the department of local government finance. The fund shall be**
 38 **administered by the treasurer of state.**

39 (b) **The expenses of administering the fund shall be paid from**
 40 **money in the fund.**

41 (c) **The treasurer of state shall invest the money in the fund not**
 42 **currently needed to meet the obligations of the fund in the same**
 43 **manner as other public money may be invested. Interest that**
 44 **accrues from these investments shall be deposited into the fund.**

45 SECTION 24. IC 6-1.1-8-30 IS AMENDED TO READ AS
 46 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 30. If a public
 47 utility company files its objections to the ~~state board of tax~~
 48 ~~commissioners'~~ **department of local government finance's** tentative
 49 assessment of the company's distributable property in the manner
 50 prescribed in section 28 of this chapter, the company may **initiate an**
 51 **appeal of the department's final assessment of that property by**

1 **filing a petition with the Indiana board not more than twenty (20)**
 2 **days after the department gives the public utility notice of the final**
 3 **determination. The public utility may petition for judicial review**
 4 **of the Indiana board's final assessment of that property determination**
 5 **to the tax court under IC 4-21.5-5. However, the company must:**
 6 **initiate the appeal**

7 **(1) petition for judicial review; and**

8 **(2) mail to the county auditor of each county in which the**
 9 **public utility company's distributable property is located:**

10 **(A) a notice that the complaint was filed; and**

11 **(B) instructions for obtaining a copy of the complaint;**

12 **within twenty (20) days after the date of the notice of the Indiana**
 13 **board's final assessment determination.**

14 SECTION 25. IC 6-1.1-8-31 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 31. When a public
 16 utility company ~~initiates an appeal~~ **petitions for judicial review** under
 17 section 30 of this chapter, the tax court shall:

18 (1) try the case without a jury;

19 (2) give preference to the case to ~~insure~~ **ensure** a prompt trial;

20 (3) review the ~~state board of tax commissioners' Indiana board's~~
 21 ~~final assessment of the company's distributable property;~~
 22 **determination;**

23 (4) presume the findings of the ~~state board of tax commissioners~~
 24 **Indiana board** are correct; and

25 (5) order the ~~state board of tax commissioners department of local~~
 26 **government finance** to file certified copies of the ~~board's~~
 27 **department's** records related to the assessment if the company
 28 asks the court to issue such an order.

29 SECTION 26. IC 6-1.1-8-32 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 32. When a public
 31 utility company initiates an appeal under section 30 of this chapter, the
 32 tax court may set aside the ~~state board of tax commissioners' Indiana~~
 33 **board's final assessment determination** and **direct the Indiana board**
 34 **to** refer the matter to the ~~board department of local government~~
 35 **finance** with instructions to make another assessment if:

36 (1) the company shows that the ~~board's department's~~ final
 37 assessment, ~~or the board's department's~~ apportionment and
 38 distribution of the final assessment, ~~or the Indiana board's final~~
 39 **determination** is clearly incorrect because the ~~department or the~~
 40 **Indiana board** violated the law or committed fraud; or

41 (2) the company shows that the ~~board's department's~~ final
 42 assessment is not supported by substantial evidence.

43 SECTION 27. IC 6-1.1-8.7 IS ADDED TO THE INDIANA CODE
 44 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 45 JULY 1, 2002]:

46 **Chapter 8.7. Assessment of Industrial Facilities**

47 **Sec. 1. As used in this chapter:**

48 (1) "industrial company" means an owner or user of industrial
 49 property; and

50 (2) "department" refers to the department of local government
 51 finance.

1 Sec. 2. As used in this chapter, "industrial facility" means a
2 company's real property that:

3 (1) has been classified as industrial property under the rules of
4 the department; and

5 (2) has a true tax value, as estimated by the department, of at
6 least twenty-five million dollars (\$25,000,000) in a county.

7 The term includes real property that is used under an agreement
8 under which the user exercises the beneficial rights of ownership
9 for the majority of a year. The term does not include real property
10 assessed under IC 6-1.1-8.

11 Sec. 3. (a) Before January 1, 2003, two hundred fifty (250) or
12 more owners of real property in a township may petition the
13 department of local government finance to assess the real property
14 of an industrial facility in the township for the 2004 assessment
15 date.

16 (b) Before January 1 of each year that a general reassessment
17 commences under IC 6-1.1-4-4, two hundred fifty (250) or more
18 owners of real property in a township may petition the department
19 of local government finance to assess the real property of an
20 industrial facility in the township for that general reassessment.

21 (c) An industrial company may at any time petition the
22 department of local government finance to assess an industrial
23 facility owned or used by the company.

24 Sec. 4. The department of local government finance may assess
25 the real property of an industrial facility pursuant to a petition
26 filed under section 3 of this chapter.

27 Sec. 5. (a) If the department determines to assess an industrial
28 facility pursuant to a petition filed under section 3(a) or 3(c) of this
29 chapter, the department shall schedule the assessment not later
30 than six (6) months after receiving the petition.

31 (b) If the department determines to assess an industrial facility
32 pursuant to a petition filed under section 3(b) of this chapter, the
33 department shall schedule the assessment not later than three (3)
34 months after the assessment date for which the petition was filed.

35 Sec. 6. The county assessor of the county in which the industrial
36 facility is located shall provide support to the department's
37 assessor during the course of the assessment of an industrial
38 facility.

39 Sec. 7. (a) When the department determines its final assessments
40 of an industrial facility, the department shall certify the true tax
41 values to the county assessor and the county auditor of the county
42 in which the property is located. In addition, if an industrial
43 company has appealed the department's final assessment of the
44 industrial facility, the department shall notify the county auditor
45 of the appeal.

46 (b) The county assessor shall review the certification of the
47 department to determine if any of an industrial company's
48 property has been omitted and notify the department of additions
49 the county assessor finds are necessary. The department shall
50 consider the county assessor's findings and make any additions to
51 the certification the department finds are necessary. The county

auditor shall enter for taxation the assessed valuation of an industrial facility that is certified by the department.

Sec. 8. (a) The industrial company that owns or uses the industrial facility assessed under this chapter, a taxpayer that petitioned for assessment of an industrial facility assessed under this chapter, or the county assessor of the county in which the industrial facility is located may appeal an assessment by the department made under this chapter to the department. An assessment made under this chapter that is not appealed under this section is a final unappealable order of the department.

(b) The department shall hold a hearing on the appeal and issue an order within one (1) year of the date the appeal is filed.

Sec. 9. The department shall adopt rules to provide just valuations of industrial facilities under this chapter.

Sec. 10. This chapter is designed to provide special rules for the assessment and taxation of certain industrial facilities. If a provision of this chapter conflicts with a provision of another chapter of this article, the provision of this chapter controls with respect to the assessment and taxation of an industrial facility.

SECTION 28. IC 6-1.1-10-16, AS AMENDED BY P.L.126-2000, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 16. (a) All or part of a building is exempt from property taxation if it is owned, occupied, and used by a person for educational, literary, scientific, religious, or charitable purposes.

(b) A building is exempt from property taxation if it is owned, occupied, and used by a town, city, township, or county for educational, literary, scientific, fraternal, or charitable purposes.

(c) A tract of land, including the campus and athletic grounds of an educational institution, is exempt from property taxation if:

(1) a building which is exempt under subsection (a) or (b) is situated on it; and

(2) the tract does not exceed:

(A) **one hundred fifty (50) (150)** acres in the case of:

(i) an educational institution; or

(ii) a tract that was exempt under this subsection on March 1, 1987; or

(B) two hundred (200) acres in the case of a local association formed for the purpose of promoting 4-H programs; or

(C) fifteen (15) acres in all other cases.

(d) A tract of land is exempt from property taxation if:

(1) it is purchased for the purpose of erecting a building which is to be owned, occupied, and used in such a manner that the building will be exempt under subsection (a) or (b);

(2) the tract does not exceed:

(A) **one hundred fifty (50) (150)** acres in the case of:

(i) an educational institution; or

(ii) a tract that was exempt under this subsection on March 1, 1987;

(B) two hundred (200) acres in the case of a local association formed for the purpose of promoting 4-H programs; or

(C) fifteen (15) acres in all other cases; and

(3) not more than three (3) years after the property is purchased, and for each year after the three (3) year period, the owner demonstrates substantial progress towards the erection of the intended building and use of the tract for the exempt purpose. To establish that substantial progress is being made, the owner must prove the existence of factors such as the following:

(A) Organization of and activity by a building committee or other oversight group.

(B) Completion and filing of building plans with the appropriate local government authority.

(C) Cash reserves dedicated to the project of a sufficient amount to lead a reasonable individual to believe the actual construction can and will begin within three (3) years.

(D) The breaking of ground and the beginning of actual construction.

(E) Any other factor that would lead a reasonable individual to believe that construction of the building is an active plan and that the building is capable of being completed within six (6) years considering the circumstances of the owner.

(e) Personal property is exempt from property taxation if it is owned and used in such a manner that it would be exempt under subsection (a) or (b) if it were a building.

(f) A hospital's property which is exempt from property taxation under subsection (a), (b), or (e) shall remain exempt from property taxation even if the property is used in part to furnish goods or services to another hospital whose property qualifies for exemption under this section.

(g) Property owned by a shared hospital services organization which is exempt from federal income taxation under Section 501(c)(3) or 501(e) of the Internal Revenue Code is exempt from property taxation if it is owned, occupied, and used exclusively to furnish goods or services to a hospital whose property is exempt from property taxation under subsection (a), (b), or (e).

(h) This section does not exempt from property tax an office or a practice of a physician or group of physicians that is owned by a hospital licensed under IC 16-21-1 or other property that is not substantially related to or supportive of the inpatient facility of the hospital unless the office, practice, or other property:

(1) provides or supports the provision of charity care (as defined in IC 16-18-2-52.5), including providing funds or other financial support for health care services for individuals who are indigent (as defined in IC 16-18-2-52.5(b) and IC 16-18-2-52.5(c)); or

(2) provides or supports the provision of community benefits (as defined in IC 16-21-9-1), including research, education, or government sponsored indigent health care (as defined in IC 16-21-9-2).

However, participation in the Medicaid or Medicare program alone does not entitle an office, practice, or other property described in this subsection to an exemption under this section.

(i) A tract of land or a tract of land plus all or part of a structure on the land is exempt from property taxation if:

(1) the tract is acquired for the purpose of erecting, renovating, or improving a single family residential structure that is to be given away or sold:

- (A) in a charitable manner;
- (B) by a nonprofit organization; and
- (C) to low income individuals who will:
 - (i) use the land as a family residence; and
 - (ii) not have an exemption for the land under this section;

(2) the tract does not exceed three (3) acres;

(3) the tract of land or the tract of land plus all or part of a structure on the land is not used for profit while exempt under this section; and

(4) not more than three (3) years after the property is acquired for the purpose described in subdivision (1), and for each year after the three (3) year period, the owner demonstrates substantial progress towards the erection, renovation, or improvement of the intended structure. To establish that substantial progress is being made, the owner must prove the existence of factors such as the following:

(A) Organization of and activity by a building committee or other oversight group.

(B) Completion and filing of building plans with the appropriate local government authority.

(C) Cash reserves dedicated to the project of a sufficient amount to lead a reasonable individual to believe the actual construction can and will begin within six (6) years of the initial exemption received under this subsection.

(D) The breaking of ground and the beginning of actual construction.

(E) Any other factor that would lead a reasonable individual to believe that construction of the structure is an active plan and that the structure is capable of being:

- (i) completed; and
- (ii) transferred to a low income individual who does not receive an exemption under this section;

within six (6) years considering the circumstances of the owner.

(j) An exemption under subsection (i) terminates when the property is conveyed by the nonprofit organization to another owner. When the property is conveyed to another owner, the nonprofit organization receiving the exemption must file a certified statement with the auditor of the county, notifying the auditor of the change not later than sixty (60) days after the date of the conveyance. **The county auditor shall immediately forward a copy of the certified statement to the county assessor.** A nonprofit organization that fails to file the statement required by this subsection is liable for the amount of property taxes due on the property conveyed if it were not for the exemption allowed under this chapter.

(k) If property is granted an exemption in any year under subsection (i) and the owner:

- (1) ceases to be eligible for the exemption under subsection (i)(4);
- (2) fails to transfer the tangible property within six (6) years after

the assessment date for which the exemption is initially granted; or
 (3) transfers the tangible property to a person who:
 (A) is not a low income individual; or
 (B) does not use the transferred property as a residence for at
 least one (1) year after the property is transferred;

the person receiving the exemption shall notify the county recorder and
 the county auditor of the county in which the property is located not
 later than sixty (60) days after the event described in subdivision (1),
 (2), or (3) occurs. **The county auditor shall immediately inform the
 county assessor of a notification received under this subsection.**

(l) If subsection (k)(1), (k)(2), or (k)(3) applies, the owner shall pay,
 not later than the date that the next installment of property taxes is due,
 an amount equal to the sum of the following:

(1) The total property taxes that, if it were not for the exemption
 under subsection (i), would have been levied on the property in
 each year in which an exemption was allowed.

(2) Interest on the property taxes at the rate of ten percent (10%)
 per year.

(m) The liability imposed by subsection (l) is a lien upon the property
 receiving the exemption under subsection (i). An amount collected
 under subsection (l) shall be collected as an excess levy. If the amount
 is not paid, it shall be collected in the same manner that delinquent
 taxes on real property are collected.

**(n) Property referred to in this section shall be assessed to the
 extent required under IC 6-1.1-11-9.**

SECTION 29. IC 6-1.1-10-18.5 IS AMENDED TO READ AS
 FOLLOWS [EFFECTIVE JANUARY 1, 2001 (RETROACTIVE)]:
 Sec. 18.5. (a) This section does not exempt from property tax an office
 or a practice of a physician or group of physicians that is owned by a
 hospital licensed under IC 16-21-1 or other property that is not
 substantially related to or supportive of the inpatient facility of the
 hospital unless the office, practice, or other property:

(1) provides or supports the provision of charity care (as defined
 in IC 16-18-2-52.5), including funds or other financial support for
 health care services for individuals who are indigent (as defined in
 IC 16-18-2-52.5(b) and IC 16-18-2-52.5(c)); or

(2) provides or supports the provision of community benefits (as
 defined in IC 16-21-9-1), including research, education, or
 government sponsored indigent health care (as defined in
 IC 16-21-9-2).

However, participation in the Medicaid or Medicare program, alone,
 does not entitle an office, a practice, or other property described in this
 subsection to an exemption under this section.

(b) Tangible property is exempt from property taxation if it is:

(1) owned by an Indiana nonprofit corporation; and

(2) used by that corporation in the operation of **a hospital licensed
 under IC 16-21**, a health facility licensed under IC 16-28, or in the
 operation of a residential facility for the aged and licensed under
 IC 16-28, or in the operation of a Christian Science home or
 sanatorium.

(c) Property referred to in this section shall be assessed to the

extent required under IC 6-1.1-11-9.

SECTION 30. IC 6-1.1-10-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 21. (a) The following tangible property is exempt from property taxation if it is owned by, or held in trust for the use of, a church or religious society:

- (1) A building which is used for religious worship.
- (2) Buildings that are used as parsonages.
- (3) The pews and furniture contained within a building which is used for religious worship.
- (4) The tract of land, not exceeding fifteen (15) acres, upon which a building described in this section is situated.

(b) To obtain an exemption for parsonages, a church or religious society must provide the county auditor with an affidavit at the time the church or religious society applies for the exemptions. The affidavit must state that:

- (1) all parsonages are being used to house one (1) of the church's or religious society's rabbis, priests, preachers, ministers, or pastors; and
- (2) none of the parsonages are being used to make a profit.

The affidavit shall be signed under oath by the church's or religious society's head rabbi, priest, preacher, minister, or pastor. **The county auditor shall immediately forward a copy of the affidavit to the county assessor.**

(c) Property referred to in this section shall be assessed to the extent required under IC 6-1.1-11-9.

SECTION 31. IC 6-1.1-10-36.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 36.5. (a) Tangible property is not exempt from property taxation under sections 16 through 28 of this chapter or under section 33 of this chapter if it is used by the exempt organization in a trade or business, not substantially related to the exercise or performance of the organization's exempt purpose.

(b) Property referred to in sections 16 through 28 of this chapter or under section 33 of this chapter shall be assessed to the extent required under IC 6-1.1-11-9.

(c) The department of local government finance shall adopt rules under IC 4-22-2 to carry out this section.

SECTION 32. IC 6-1.1-11-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 3. (a) ~~The An~~ owner of tangible property who wishes to obtain an exemption from property taxation shall file a certified application in duplicate with the auditor of the county in which the property **that is the subject of the exemption** is located. The application must be filed annually on or before May 15 on forms prescribed by the ~~state board of tax commissioners~~ **department of local government finance**. **The county auditor shall immediately forward a copy of the certified application to the county assessor.** Except as provided in sections 1, 3.5, and 4 of this chapter, the application applies only for the taxes imposed for the year for which the application is filed.

(b) The authority for signing an exemption application may not be delegated by the owner of the property to any other person except by

1 an executed power of attorney.

2 (c) An exemption application which is required under this chapter
3 shall contain the following information:

4 (1) A description of the property claimed to be exempt in sufficient
5 detail to afford identification.

6 (2) A statement showing the ownership, possession, and use of the
7 property.

8 (3) The grounds for claiming the exemption.

9 (4) The full name and address of the applicant.

10 (5) Any additional information which the ~~state board of tax~~
11 ~~commissioners~~ **department of local government finance** may
12 require.

13 **(d) A person who signs an exemption application shall attest in**
14 **writing and under penalties of perjury that, to the best of the**
15 **person's knowledge and belief, a predominant part of the property**
16 **claimed to be exempt is not being used or occupied in connection**
17 **with a trade or business that is not substantially related to the**
18 **exercise or performance of the organization's exempt purpose.**

19 SECTION 33. IC 6-1.1-11-3.5 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 3.5. (a) A
21 not-for-profit corporation that seeks an exemption provided by
22 IC 6-1.1-10 for ~~1988 2000~~ or for a year that follows ~~1988 2000~~ by a
23 multiple of ~~four (4)~~ **two (2)** years must file an application for the
24 exemption in that year. However, if a not-for-profit corporation seeks
25 an exemption provided by IC 6-1.1-10 for a year not specified in this
26 subsection and the corporation did not receive the exemption for the
27 preceding year, the corporation must file an application for the
28 exemption in the year for which the exemption is sought. The
29 not-for-profit corporation must file each exemption application in the
30 manner (other than the requirement for filing annually) prescribed in
31 section 3 of this chapter.

32 (b) A not-for-profit corporation that receives an exemption provided
33 under IC 6-1.1-10 for a particular year that remains eligible for the
34 exemption for the following year is only required to file a statement to
35 apply for the exemption in the years specified in subsection (a), if the
36 use of the not-for-profit corporation's property remains unchanged.

37 (c) A not-for-profit corporation that receives an exemption provided
38 under IC 6-1.1-10 for a particular year which becomes ineligible for the
39 exemption for the following year shall notify the auditor of the county
40 in which the tangible property for which it claims the exemption is
41 located of its ineligibility on or before May 15 of the year for which it
42 becomes ineligible. **If a not-for-profit corporation that is receiving**
43 **an exemption provided under IC 6-1.1-10 changes the use of its**
44 **tangible property so that part or all of that property no longer**
45 **qualifies for the exemption, the not-for-profit corporation shall**
46 **notify the auditor of the county in which the tangible property for**
47 **which it claims the exemption is located of its ineligibility on or**
48 **before May 15 of the year for which it first becomes ineligible. The**
49 **county auditor shall immediately notify the county assessor of the**
50 **not-for-profit corporation's ineligibility or disqualification for the**
51 **exemption. A not-for-profit corporation that fails to provide the**

notification required by this subsection is subject to the penalties set forth in IC 6-1.1-37-9.

(d) For each year that is not a year specified in subsection (a), the auditor of each county shall apply an exemption provided under IC 6-1.1-10 to the tangible property owned by a not-for-profit corporation that received the exemption in the preceding year unless the ~~auditor~~ **county property tax assessment board of appeals** determines that the not-for-profit corporation is no longer eligible for the exemption.

(e) The ~~state board of tax commissioners~~ **department of local government finance** may at any time review an exemption provided under this section and determine whether or not the not-for-profit corporation is eligible for the exemption.

SECTION 34. IC 6-1.1-12-28.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 28.5. (a) For purposes of this section:

"Hazardous waste" has the meaning set forth in IC 13-11-2-99(a) and includes a waste determined to be a hazardous waste under IC 13-22-2-3(b).

"Resource recovery system" means tangible property directly used to dispose of solid waste or hazardous waste by converting it into energy or other useful products.

"Solid waste" has the meaning set forth in IC 13-11-2-205(a) but does not include dead animals or any animal solid or semisolid wastes.

(b) Except as provided in this section, the owner of a resource recovery system is entitled to an annual deduction in an amount equal to ninety-five percent (95%) of the assessed value of the system if:

(1) the system was certified by the department of environmental management for the 1993 assessment year or a prior assessment year; and

(2) the owner filed a timely application for the deduction for the 1993 assessment year.

For purposes of this section, a system includes tangible property that replaced tangible property in the system after the certification by the department of environmental management.

(c) The owner of a resource recovery system that is directly used to dispose of hazardous waste is not entitled to the deduction provided by this section for a particular assessment year if during that assessment year the owner:

(1) is convicted of any violation under IC 13-7-13-3 (repealed), IC 13-7-13-4 (repealed), or IC 13-30-6; or

(2) is subject to an order or a consent decree with respect to property located in Indiana based upon a violation of a federal or state rule, regulation, or statute governing the treatment, storage, or disposal of hazardous wastes that had a major or moderate potential for harm.

(d) The certification of a resource recovery system by the department of environmental management for the 1993 assessment year or a prior assessment year is valid through the 1997 assessment year so long as the property is used as a resource recovery system. If the property is no longer used for the purpose for which the property was used when the

property was certified, the owner of the property shall notify the county auditor. However, the deduction from the assessed value of the system is:

- (1) ninety-five percent (95%) for the 1994 assessment year;
- (2) ninety percent (90%) for the 1995 assessment year;
- (3) seventy-five percent (75%) for the 1996 assessment year; and
- (4) sixty percent (60%) for the 1997 assessment year.

Notwithstanding this section as it existed before 1995, for the 1994 assessment year, the portion of any tangible property comprising a resource recovery system that was assessed and first deducted for the 1994 assessment year may not be deducted for property taxes first due and payable in 1995 or later.

(e) In order to qualify for a deduction under this section, the person who desires to claim the deduction must file an application with the county auditor after February 28 and before May 16 of the current assessment year. ~~unless the person has been granted an extension under IC 6-1.1-3-7. If the person has been granted an extension, the person must file the application after February 28 and before June 15 of the current assessment year.~~ An application must be filed in each year for which the person desires to obtain the deduction. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. If the application is not filed before the applicable deadline under this subsection, the deduction is waived. The application must be filed on a form prescribed by the ~~state board of tax commissioners.~~ **department of local government finance.** The application for a resource recovery system deduction must include:

- (1) a certification by the department of environmental management for the 1993 assessment year or a prior assessment year as described in subsection (d); or
- (2) the certification by the department of environmental management for the 1993 assessment year as described in subsection (g).

Beginning with the 1995 assessment year a person must also file an itemized list of all property on which a deduction is claimed. The list must include the date of purchase of the property and the cost to acquire the property.

(f) Before July 1, 1995, the department of environmental management shall transfer all the applications, records, or other material the department has with respect to resource recovery system deductions under this section for the 1993 and 1994 assessment years. The township assessor shall verify each deduction application filed under this section and the county auditor shall determine the deduction. The county auditor shall send to the ~~state board of tax commissioners~~ **department of local government finance** a copy of each deduction application. The county auditor shall notify the county property tax assessment board of appeals of all deductions allowed under this section. A denial of a deduction claimed under this subsection may be appealed as provided in IC 6-1.1-15. The appeal is limited to a review of a determination made by the township assessor or the county auditor.

(g) Notwithstanding subsection (d), the certification for the 1993 assessment year of a resource recovery system in regard to which a

political subdivision is liable for the payment of the property taxes remains valid at the ninety-five percent (95%) deduction level allowed before 1994 as long as the political subdivision remains liable for the payment of the property taxes on the system.

SECTION 35. IC 6-1.1-12-35 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 35. (a) Except as provided in section 36 of this chapter, a person who desires to claim the deduction provided by section 31, 33, or 34 of this chapter must file a certified statement in duplicate, on forms prescribed by the state board of tax commissioners, and proof of certification under subsection (b) with the auditor of the county in which the property for which the deduction is claimed is subject to assessment. Except as provided in subsection (e), with respect to property that is not assessed under IC 6-1.1-7, the person must file the statement between March 1 and May 10, inclusive, of the assessment year. The person must file the statement in each year for which he desires to obtain the deduction. With respect to a property which is assessed under IC 6-1.1-7, the person must file the statement between January 15 and March 31, inclusive, of each year for which he desires to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. On verification of the statement by the assessor of the township in which the property for which the deduction is claimed is subject to assessment, the county auditor shall allow the deduction.

(b) The department of environmental management, upon application by a property owner, shall determine whether a system or device qualifies for a deduction provided by section 31, 33, or 34 of this chapter. If the department determines that a system or device qualifies for a deduction, it shall certify the system or device and provide proof of the certification to the property owner. The department shall prescribe the form and manner of the certification process required by this subsection.

(c) If the department of environmental management receives an application for certification before April 10 of the assessment year, the department shall determine whether the system or device qualifies for a deduction before May 10 of the assessment year. If the department fails to make a determination under this subsection before May 10 of the assessment year, the system or device is considered certified.

(d) A denial of a deduction claimed under section 31, 33, or 34 of this chapter may be appealed as provided in IC 6-1.1-15. The appeal is limited to a review of a determination made by the township assessor, county property tax assessment board of appeals, or state board of tax commissioners.

(e) A person who timely files a personal property return under IC 6-1.1-3-7(a) for an assessment year and who desires to claim the deduction provided in section 31 of this chapter for property that is not assessed under IC 6-1.1-7 must file the statement described in subsection (a) between March 1 and May 15, inclusive, of that year. A person who obtains a filing extension under IC 6-1.1-3-7(b) for an assessment year must file the application between March 1 and ~~June 14, inclusive, of the extended due date for~~ that year.

SECTION 36. IC 6-1.1-12-35.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: **Sec. 35.5. (a)** Except as provided in section 36 of this chapter, a person who desires to claim the deduction provided by section 31, 33, or 34 of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, and proof of certification under subsection (b) with the auditor of the county in which the property for which the deduction is claimed is subject to assessment. Except as provided in subsection (e), with respect to property that is not assessed under IC 6-1.1-7, the person must file the statement between March 1 and May 10, inclusive, of the assessment year. The person must file the statement in each year for which he desires to obtain the deduction. With respect to a property which is assessed under IC 6-1.1-7, the person must file the statement between January 15 and March 31, inclusive, of each year for which he desires to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. On verification of the statement by the assessor of the township in which the property for which the deduction is claimed is subject to assessment, the county auditor shall allow the deduction.

(b) The department of environmental management, upon application by a property owner, shall determine whether a system or device qualifies for a deduction provided by section 31, 33, or 34 of this chapter. If the department determines that a system or device qualifies for a deduction, it shall certify the system or device and provide proof of the certification to the property owner. The department shall prescribe the form and manner of the certification process required by this subsection.

(c) If the department of environmental management receives an application for certification before April 10 of the assessment year, the department shall determine whether the system or device qualifies for a deduction before May 10 of the assessment year. If the department fails to make a determination under this subsection before May 10 of the assessment year, the system or device is considered certified.

(d) A denial of a deduction claimed under section 31, 33, or 34 of this chapter may be appealed as provided in IC 6-1.1-15. The appeal is limited to a review of a determination made by the township assessor, county property tax assessment board of appeals, or department of local government finance.

(e) A person who timely files a personal property return under IC 6-1.1-3-7(a) for an assessment year and who desires to claim the deduction provided in section 31 of this chapter for property that is not assessed under IC 6-1.1-7 must file the statement described in subsection (a) between March 1 and May 15, inclusive, of that year. A person who obtains a filing extension under IC 6-1.1-3-7(b) for an assessment year must file the application between March 1 and the extended due date for that year.

SECTION 37. IC 6-1.1-12-40 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE

JANUARY 1, 2001 (RETROACTIVE)]: **Sec. 40. (a) This section applies only to real property that is located in an enterprise zone established in a county containing a consolidated city.**

(b) The owner of real property described in subsection (a) is entitled to a deduction under this section if:

- (1) an obsolescence depreciation adjustment for either functional obsolescence or economic obsolescence was allowed for the property for property taxes assessed in the year preceding the year in which the owner purchased the property;**
- (2) the property owner submits an application requesting the deduction to the fiscal body of the county in which the property is located; and**
- (3) the fiscal body of the county approves the deduction.**

(c) If a county fiscal body approves a deduction under this section, it must notify the county auditor of the approval of the deduction.

(d) A deduction may be claimed under this section for not more than four (4) years. The amount of the deduction under this section equals:

- (1) the amount of the obsolescence depreciation adjustment for either functional obsolescence or economic obsolescence that was allowed for the property for property taxes assessed in the year preceding the year in which the owner purchased the property; multiplied by**
- (2) the following percentages:**
 - (A) One hundred percent (100%), for property taxes assessed in the year in which the owner purchased the property.**
 - (B) Seventy-five percent (75%), for property taxes assessed in the year after the year in which the owner purchased the property.**
 - (C) Fifty percent (50%), for property taxes assessed in the second year after the year in which the owner purchased the property.**
 - (D) Twenty-five percent (25%), for property taxes assessed in the third year after the year in which the owner purchased the property.**

SECTION 38. IC 6-1.1-12.1-3, AS AMENDED BY P.L.126-2000, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: **Sec. 3. (a) An applicant must provide a statement of benefits to the designating body. If the designating body requires information from the applicant for economic revitalization area status for use in making its decision about whether to designate an economic revitalization area, the applicant shall provide the completed statement of benefits form to the designating body before the hearing required by section 2.5(c) of this chapter. Otherwise, the statement of benefits form must be submitted to the designating body before the initiation of the redevelopment or rehabilitation for which the person desires to claim a deduction under this chapter. The state board of tax commissioners shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:**

- (1) A description of the proposed redevelopment or rehabilitation.
- (2) An estimate of the number of individuals who will be employed or whose employment will be retained by the person as a result of the redevelopment or rehabilitation and an estimate of the annual salaries of these individuals.

(3) An estimate of the value of the redevelopment or rehabilitation. With the approval of the ~~state board of tax commissioners~~, **designating body**, the statement of benefits may be incorporated in a designation application. Notwithstanding any other law, a statement of benefits is a public record that may be inspected and copied under IC 5-14-3-3.

(b) The designating body must review the statement of benefits required under subsection (a). The designating body shall determine whether an area should be designated an economic revitalization area or whether a deduction should be allowed, based on (and after it has made) the following findings:

- (1) Whether the estimate of the value of the redevelopment or rehabilitation is reasonable for projects of that nature.
- (2) Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed described redevelopment or rehabilitation.
- (3) Whether the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed described redevelopment or rehabilitation.
- (4) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed described redevelopment or rehabilitation.
- (5) Whether the totality of benefits is sufficient to justify the deduction.

A designating body may not designate an area an economic revitalization area or approve a deduction unless the findings required by this subsection are made in the affirmative.

(c) Except as provided in subsections (a) through (b), the owner of property which is located in an economic revitalization area is entitled to a deduction from the assessed value of the property. If the area is a residentially distressed area, the period is not more than five (5) years. For all other economic revitalization areas designated before July 1, 2000, the period is three (3), six (6), or ten (10) years. For all economic revitalization areas designated after June 30, 2000, the period is the number of years determined under subsection (d). The owner is entitled to a deduction if:

- (1) the property has been rehabilitated; or
- (2) the property is located on real estate which has been redeveloped.

The owner is entitled to the deduction for the first year, and any successive year or years, in which an increase in assessed value resulting from the rehabilitation or redevelopment occurs and for the following years determined under subsection (d). However, property owners who had an area designated an urban development area pursuant to an application filed prior to January 1, 1979, are only

entitled to a deduction for a five (5) year period. In addition, property owners who are entitled to a deduction under this chapter pursuant to an application filed after December 31, 1978, and before January 1, 1986, are entitled to a deduction for a ten (10) year period.

(d) For an area designated as an economic revitalization area after June 30, 2000, that is not a residentially distressed area, the designating body shall determine the number of years for which the property owner is entitled to a deduction. However, the deduction may not be allowed for more than ten (10) years. This determination shall be made:

(1) as part of the resolution adopted under section 2.5 of this chapter; or

(2) by resolution adopted within sixty (60) days after receiving a copy of a property owner's certified deduction application from the county auditor. A certified copy of the resolution shall be sent to the county auditor who shall make the deduction as provided in section 5 of this chapter.

A determination about the number of years the deduction is allowed that is made under subdivision (1) is final and may not be changed by following the procedure under subdivision (2).

(e) Except for deductions related to redevelopment or rehabilitation of real property in a county containing a consolidated city or a deduction related to redevelopment or rehabilitation of real property initiated before December 31, 1987, in areas designated as economic revitalization areas before that date, a deduction for the redevelopment or rehabilitation of real property may not be approved for the following facilities:

(1) Private or commercial golf course.

(2) Country club.

(3) Massage parlor.

(4) Tennis club.

(5) Skating facility (including roller skating, skateboarding, or ice skating).

(6) Racquet sport facility (including any handball or racquetball court).

(7) Hot tub facility.

(8) Suntan facility.

(9) Racetrack.

(10) Any facility the primary purpose of which is:

(A) retail food and beverage service;

(B) automobile sales or service; or

(C) other retail;

unless the facility is located in an economic development target area established under section 7 of this chapter.

(11) Residential, unless:

(A) the facility is a multifamily facility that contains at least twenty percent (20%) of the units available for use by low and moderate income individuals;

(B) the facility is located in an economic development target area established under section 7 of this chapter; or

(C) the area is designated as a residentially distressed area.

(12) A package liquor store that holds a liquor dealer's permit

under IC 7.1-3-10 or any other entity that is required to operate under a license issued under IC 7.1. However, this subdivision does not apply to an applicant that:

(A) was eligible for tax abatement under this chapter before July 1, 1995; or

(B) is described in IC 7.1-5-7-11.

(f) This subsection applies only to a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000). Notwithstanding subsection (e)(11), in a county subject to this subsection a designating body may, before September 1, 2000, approve a deduction under this chapter for the redevelopment or rehabilitation of real property consisting of residential facilities that are located in unincorporated areas of the county if the designating body makes a finding that the facilities are needed to serve any combination of the following:

(1) Elderly persons who are predominately low-income or moderate-income persons.

(2) Disabled persons.

A designating body may adopt an ordinance approving a deduction under this subsection only one (1) time. This subsection expires January 1, 2011.

SECTION 39. IC 6-1.1-12.1-5.5, AS AMENDED BY P.L.4-2000, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 5.5. (a) A person that desires to obtain the deduction provided by section 4.5 of this chapter must file a certified deduction application on forms prescribed by the state board of tax commissioners with:

(1) the auditor of the county in which the new manufacturing equipment or new research and development equipment, or both, is located; and

(2) the state board of tax commissioners.

A person that timely files a personal property return under IC 6-1.1-3-7(a) for the year in which the new manufacturing equipment or new research and development equipment, or both, is installed must file the application between March 1 and May 15 of that year. A person that obtains a filing extension under IC 6-1.1-3-7(b) for the year in which the new manufacturing equipment or new research and development equipment, or both, is installed must file the application between March 1 and ~~June 14~~ **of the extended due date** for that year.

(b) The deduction application required by this section must contain the following information:

(1) The name of the owner of the new manufacturing equipment or new research and development equipment, or both.

(2) A description of the new manufacturing equipment or new research and development equipment, or both.

(3) Proof of the date the new manufacturing equipment or new research and development equipment, or both, was installed.

(4) The amount of the deduction claimed for the first year of the deduction.

(c) This subsection applies to a deduction application with respect to new manufacturing equipment or new research and development

equipment, or both, for which a statement of benefits was initially approved after April 30, 1991. If a determination about the number of years the deduction is allowed has not been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall send a copy of the deduction application to the designating body and the designating body shall adopt a resolution under section 4.5(h)(2) of this chapter.

(d) A deduction application must be filed under this section in the year in which the new manufacturing equipment or new research and development equipment, or both, is installed and in each of the immediately succeeding years the deduction is allowed.

(e) The state board of tax commissioners shall review and verify the correctness of each deduction application and shall notify the county auditor of the county in which the property is located that the deduction application is approved or denied or that the amount of the deduction is altered. Upon notification of approval of the deduction application or of alteration of the amount of the deduction, the county auditor shall make the deduction. The county auditor shall notify the county property tax assessment board of appeals of all deductions approved under this section.

(f) If the ownership of new manufacturing equipment or new research and development equipment, or both, changes, the deduction provided under section 4.5 of this chapter continues to apply to that equipment if the new owner:

- (1) continues to use the equipment in compliance with any standards established under section 2(g) of this chapter; and
- (2) files the deduction applications required by this section.

(g) The amount of the deduction is the percentage under section 4.5 of this chapter that would have applied if the ownership of the property had not changed multiplied by the assessed value of the equipment for the year the deduction is claimed by the new owner.

(h) If a person desires to initiate an appeal of the state board of tax commissioners' final determination, the person must do all of the following not more than forty-five (45) days after the state board of tax commissioners gives the person notice of the final determination.

- (1) File a written notice with the state board of tax commissioners informing the board of the person's intention to appeal.
- (2) File a complaint in the tax court.
- (3) Serve the attorney general and the county auditor with a copy of the complaint.

SECTION 40. IC 6-1.1-12.1-5.7, AS AMENDED BY P.L.4-2000, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: **Sec. 5.7. (a) A person that desires to obtain the deduction provided by section 4.5 of this chapter must file a certified deduction application on forms prescribed by the department of local government finance with:**

- (1) the auditor of the county in which the new manufacturing equipment or new research and development equipment, or both, is located; and**
- (2) the department of local government finance.**

A person that timely files a personal property return under

IC 6-1.1-3-7(a) for the year in which the new manufacturing equipment or new research and development equipment, or both, is installed must file the application between March 1 and May 15 of that year. A person that obtains a filing extension under IC 6-1.1-3-7(b) for the year in which the new manufacturing equipment or new research and development equipment, or both, is installed must file the application between March 1 and the extended due date for that year.

(b) The deduction application required by this section must contain the following information:

(1) The name of the owner of the new manufacturing equipment or new research and development equipment, or both.

(2) A description of the new manufacturing equipment or new research and development equipment, or both.

(3) Proof of the date the new manufacturing equipment or new research and development equipment, or both, was installed.

(4) The amount of the deduction claimed for the first year of the deduction.

(c) This subsection applies to a deduction application with respect to new manufacturing equipment or new research and development equipment, or both, for which a statement of benefits was initially approved after April 30, 1991. If a determination about the number of years the deduction is allowed has not been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall send a copy of the deduction application to the designating body and the designating body shall adopt a resolution under section 4.5(h)(2) of this chapter.

(d) A deduction application must be filed under this section in the year in which the new manufacturing equipment or new research and development equipment, or both, is installed and in each of the immediately succeeding years the deduction is allowed.

(e) The department of local government finance shall review and verify the correctness of each deduction application and shall notify the county auditor of the county in which the property is located that the deduction application is approved or denied or that the amount of the deduction is altered. Upon notification of approval of the deduction application or of alteration of the amount of the deduction, the county auditor shall make the deduction. The county auditor shall notify the county property tax assessment board of appeals of all deductions approved under this section.

(f) If the ownership of new manufacturing equipment or new research and development equipment, or both, changes, the deduction provided under section 4.5 of this chapter continues to apply to that equipment if the new owner:

(1) continues to use the equipment in compliance with any standards established under section 2(g) of this chapter; and

(2) files the deduction applications required by this section.

(g) The amount of the deduction is the percentage under section 4.5 of this chapter that would have applied if the ownership of the

property had not changed multiplied by the assessed value of the equipment for the year the deduction is claimed by the new owner.

(h) If a person desires to initiate an appeal of the department of local government finance's final determination, the person must file a petition with the Indiana board not more than forty-five (45) days after the department of local government finance gives the person notice of the final determination.

(i) If a person desires to initiate a proceeding for judicial review of the Indiana board's final determination, the person must petition for judicial review under IC 4-21.5-5 not more than forty-five (45) days after the Indiana board gives the person notice of the final determination.

SECTION 41. IC 6-1.1-15-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 1. (a) A taxpayer may obtain a review by the county property tax assessment board of appeals of a county or township official's action with respect to the assessment of the taxpayer's tangible property if the official's action requires the giving of notice to the taxpayer. **The taxpayer and county or township official whose original determination is under review are parties to the proceeding before the county property tax assessment board of appeals.** At the time that notice is given to the taxpayer, ~~he the taxpayer~~ shall also be informed in writing of:

- (1) ~~his the~~ opportunity for review under this section; and
- (2) the procedures ~~he the taxpayer~~ must follow in order to obtain review under this section.

(b) In order to appeal a current assessment and have a change in the assessment effective for the most recent assessment date, the taxpayer must file a petition with the assessor of the county in which the action is taken:

- (1) within forty-five (45) days after notice of a change in the assessment is given to the taxpayer; or
- (2) May 10 of that year;

whichever is later. The county assessor shall notify the county auditor that the assessment is under appeal.

(c) A change in an assessment made as a result of an appeal filed:

- (1) in the same year that notice of a change in the assessment is given to the taxpayer; and
- (2) after the time prescribed in subsection (b);

becomes effective for the next assessment date.

(d) A taxpayer may appeal a current real ~~estate property~~ assessment in a year even if the taxpayer has not received a notice of assessment in the year. If an appeal is filed on or before May 10 of a year in which the taxpayer has not received notice of assessment, a change in the assessment resulting from the appeal is effective for the most recent assessment date. If the appeal is filed after May 10, the change becomes effective for the next assessment date.

(e) The ~~state board of tax commissioners~~ **department of local government finance** shall prescribe the form of the petition for review of an assessment determination by a township assessor. The ~~board~~ **department** shall issue instructions for completion of the form. The form and the instructions must be clear, simple, and understandable to

the average individual. An appeal of such a determination must be made on the form prescribed by the ~~board~~ **department**. The form must require the petitioner to specify the following:

- (1) The physical characteristics of the property in issue that bear on the assessment determination.
- (2) All other facts relevant to the assessment determination.
- (3) The reasons why the petitioner believes that the assessment determination by the township assessor is erroneous.

(f) The ~~state board of tax commissioners~~ **department of local government finance** shall prescribe a form for a response by the township assessor to the petition for review of an assessment determination. The ~~board~~ **department** shall issue instructions for completion of the form. The form must require the township assessor to indicate:

- (1) agreement or disagreement with each item indicated on the petition under subsection (e); and
- (2) the reasons why the assessor believes that the assessment determination is correct.

(g) Immediately upon receipt of a timely filed petition on the form prescribed under subsection (e), the county assessor shall forward a copy of the petition to the township assessor who made the challenged assessment. The township assessor shall, within thirty (30) days after the receipt of the petition, attempt to hold a preliminary conference with the petitioner and resolve as many issues as possible. Within ten (10) days after the conference, the township assessor shall forward to the county auditor and county assessor a completed response to the petition on the form prescribed under subsection (f). The county assessor shall immediately forward a copy of the response form to the petitioner and the county property tax assessment board of appeals. ~~If the county auditor determines that the appealed items on which there is disagreement constitute at least one percent (1%) of the total gross certified assessed value of the immediately preceding year for any particular unit, the county auditor shall immediately notify the fiscal officer of the unit.~~ If after the conference there are items listed in the petition on which there is disagreement, the property tax assessment board of appeals shall hold a hearing within ninety (90) days of the filing of the petition on those items of disagreement **except as provided in subsection (h)**. The taxpayer may present the taxpayer's reasons for disagreement with the assessment. The township assessor or county assessor for the county must present the basis for the assessment decision on these items to the board of appeals at the hearing and the reasons the petitioner's appeal should be denied on those items. The board of appeals shall have a written record of the hearing and prepare a written statement of findings and a decision on each item within sixty (60) days of the hearing **except as provided in subsection (h)**. If the township assessor does not attempt to hold a preliminary conference, the board shall accept the appeal of the petitioner at the hearing.

(h) This subsection applies to a county having a population of more than three hundred thousand (300,000). In the case of a petition filed after December 31, 2000, the county property tax

assessment board of appeals shall:

(1) hold its hearing within one hundred eighty (180) days instead of ninety (90) days; and

(2) have a written record of the hearing and prepare a written statement of findings and a decision on each item within one hundred twenty (120) days after the hearing.

(i) The county property tax assessment board of appeals:

(1) may not require a taxpayer that files a petition for review under this section to file documentary evidence or summaries of statements of testimonial evidence before the hearing required under subsection (g); and

(2) may require the parties to the appeal to file not more than ten (10) days before the date of the hearing required under subsection (g) lists of witnesses and exhibits to be introduced at the hearing.

SECTION 42. IC 6-1.1-15-2.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 2.1. (a) The county property tax assessment board of appeals may assess the tangible property in question.

(b) The county property tax assessment board of appeals shall, by mail, give notice of the date fixed for the hearing under section 1 of this chapter to the petitioner, and to the township assessor.

(c) If a petition for review does not comply with the ~~state board of tax commissioners'~~ **department of local government finance's** instructions for completing the form prescribed under section 1(e) of this chapter, the county assessor shall return the petition to the petitioner and include a notice describing the defect in the petition. The petitioner then has thirty (30) days from the date on the notice to cure the defect and file a corrected petition or statement with the county assessor that the petitioner believes the petition is not defective. If a statement is filed or the county assessor believes a corrected petition is not in compliance with section 1(e) of this chapter, the assessor shall forward the statement or corrected petition to the county property tax assessment board of appeals. Within ten (10) days after receiving the statement or petition, the county property tax assessment board of appeals shall determine if the original or corrected petition is still not in compliance. The county property tax assessment board of appeals shall deny an original or a corrected petition for review if it does not substantially comply with the ~~state board of tax commissioners'~~ **department of local government finance's** instructions for completing the form prescribed under section 1(e) of this chapter.

(d) The ~~state board of tax commissioners~~ **department of local government finance** shall prescribe a form for use by the county property tax assessment board of appeals in processing petitions for review of assessment determinations. The ~~state board~~ **department** shall issue instructions for completion of the form. The form must require the county property tax assessment board of appeals to include a record of the hearing, findings on each item, and indicate agreement or disagreement with each item that is:

(1) indicated on the petition submitted under section 1(e) of this chapter; and

(2) included in the township assessor's response under section 1(g) of this chapter.

The form must also require the county property tax assessment board of appeals to indicate the issues in dispute for each item and its reasons in support of its resolution of those issues.

(e) After the hearing the county property tax assessment board of appeals shall, by mail, give notice of its determination to the petitioner, the township assessor, and the county assessor and shall include with the notice copies of the forms completed under subsection (d).

SECTION 43. IC 6-1.1-15-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 3. (a) A taxpayer may obtain a review by the ~~state Indiana~~ **board of tax commissioners** of a county property tax assessment board of appeals action with respect to the assessment of that taxpayer's tangible property if the county property tax assessment board of appeals' action requires the giving of notice to the taxpayer. **A township assessor, county assessor, member of a county property tax assessment board of appeals, or county property tax assessment board of appeals that made the original determination under appeal under this section, or a county auditor who made the original enterprise zone inventory credit determination under appeal under IC 6-1.1-20.8, is a party to the review under this section to defend the determination.** At the time that notice is given to the taxpayer, ~~he the taxpayer~~ shall also be informed in writing of:

(1) ~~his the taxpayer's~~ opportunity for review under this section; and

(2) the procedures ~~he the taxpayer~~ must follow in order to obtain review under this section.

(b) A township assessor or a ~~member of a county property tax assessment board of appeals~~ **county assessor** may obtain a review by the ~~state Indiana~~ **board of tax commissioners** of any assessment which ~~he the township assessor or the county assessor~~ has made, upon which ~~he the township assessor or the county assessor~~ has passed, or which has been made over ~~his the township assessor's or the county assessor's~~ protest.

(c) In order to obtain a review by the ~~state Indiana~~ **board of tax commissioners** under this section, the party must file a petition for review with the appropriate county assessor within thirty (30) days after the notice of the county property tax assessment board of appeals action is given to the taxpayer.

(d) The ~~state board of tax commissioners~~ **department of local government finance** shall prescribe the form of the petition for review of an assessment determination by the county property tax assessment board of appeals. The ~~state board~~ **department** shall issue instructions for completion of the form. The form and the instructions must be clear, simple, and understandable to the average individual. An appeal of such a determination must be made on the form prescribed by the ~~state board~~ **department**. The form must require the petitioner to specify the following:

(1) The items listed in section 1(e)(1) and 1(e)(2) of this chapter.

(2) The reasons why the petitioner believes that the assessment determination by the county property tax assessment board of appeals is erroneous.

(e) The county assessor shall transmit the petition for review to the ~~division of appeals of the state Indiana board of tax commissioners~~ within ten (10) days after it is filed.

(f) If a township assessor or a member of the county property tax assessment board of appeals files a petition for review under this section concerning the assessment of a taxpayer's property, the county assessor must send a copy of the petition to the taxpayer.

SECTION 44. IC 6-1.1-15-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 4. (a) After receiving a petition for review which is filed under section 3 of this chapter, the ~~division of appeals of the state Indiana board of tax commissioners~~ shall conduct a hearing at its earliest opportunity. In addition, the ~~division of appeals of the state Indiana board~~ may assess the property in question, ~~correcting correct~~ any errors which that may have been made and adjust the assessment in accordance with the correction. If the Indiana board conducts a site inspection of the property as part of its review of the petition, the Indiana board shall give notice to all parties of the date and time of the site inspection. The Indiana board is not required to assess the property in question. The ~~division of appeals of the state Indiana board~~ shall give notice of the date fixed for the hearing, by mail, to the taxpayer and to the appropriate township assessor, county assessor, and county auditor. The ~~division of appeals of the state Indiana board~~ shall give these notices at least ~~ten (10)~~ thirty (30) days before the day fixed for the hearing. The property tax assessment board of appeals that made the determination under appeal under this section may, with the approval of the county executive, file an amicus curiae brief in the review proceeding under this section. The expenses incurred by the property tax assessment board of appeals in filing the amicus curiae brief shall be paid from the reassessment fund under IC 6-1.1-4-27. In addition, the executive of a taxing unit may file an amicus curiae brief in the review proceeding under this section if the property whose assessment is under appeal is subject to assessment by that taxing unit.

(b) If a petition for review does not comply with the ~~state board of tax commissioners' Indiana board's~~ instructions for completing the form prescribed under section 3 of this chapter, the ~~division of appeals of the state Indiana board of tax commissioners~~ shall return the petition to the petitioner and include a notice describing the defect in the petition. The petitioner then has thirty (30) days from the date on the notice to cure the defect and file a corrected petition. The ~~division of appeals of the state Indiana board of tax commissioners~~ shall deny a corrected petition for review if it does not substantially comply with the ~~state board of tax commissioners' Indiana board's~~ instructions for completing the form prescribed under section 3 of this chapter.

(c) The ~~state Indiana board of tax commissioners~~ shall prescribe a form for use in processing petitions for review of actions by the county property tax assessment board of appeals. The ~~state Indiana board~~

shall issue instructions for completion of the form. The form must require the ~~division of appeals of the state board~~, **Indiana board** to indicate agreement or disagreement with each item that is:

- (1) indicated on the petition submitted under section 1(e) of this chapter;
- (2) included in the township assessor's response under section 1(g) of this chapter; and
- (3) included in the county property tax assessment board of appeals' findings, record, and determination under section 2.1(d) of this chapter.

The form must also require the ~~division of appeals of the state~~ **Indiana board** to indicate the issues in dispute and its reasons in support of its resolution of those issues.

(d) After the hearing the ~~division of appeals of the state~~ **Indiana board** shall give the petitioner, the township assessor, the county assessor, and the county auditor:

- (1) notice, by mail, of its final determination;
- (2) a copy of the form completed under subsection (c); and
- (3) notice of the procedures they must follow in order to obtain court review under section 5 of this chapter.

(e) **Except as provided in subsection (f), the ~~division of appeals of the state~~ Indiana board of tax commissioners** shall conduct a hearing within ~~six (6)~~ **nine (9)** months after a petition in proper form is filed with the ~~division~~, **Indiana board**, excluding any time due to a delay reasonably caused by the petitioner.

(f) With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the Indiana board shall conduct a hearing within one (1) year after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

(g) Except as provided in subsection (h), the ~~division of appeals~~ Indiana board shall make a determination within the later of ~~forty-five (45)~~ ninety (90) days after the hearing or the date set in an extension order issued by the ~~chairman of the state board of tax commissioners~~. However, **Indiana board.**

(h) With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the Indiana board shall make a determination within the later of one hundred eighty (180) days after the hearing or the date set in an extension order issued by the Indiana board.

(i) The ~~state~~ Indiana board of tax commissioners may not extend the final determination date under subsection (g) or (h) by more than one hundred eighty (180) days. ~~Except as provided in subsection (g): (1) The failure of the division of appeals~~ **Indiana board to make a final determination within the time allowed by this subsection shall be treated as a final determination of the ~~state~~ **Indiana board of tax commissioners** to deny the petition. ~~and (2) a final decision of the division of appeals is a final determination of the state board of tax commissioners.~~**

(g) A final determination of the division of appeals is not a final determination of the state board of tax commissioners if the state board of tax commissioners:

(1) gives notice to the parties that the state board of tax commissioners will review the determination of the division of appeals within fifteen (15) days after the division of appeals gives notice of the determination to the parties or the maximum allowable time for the issuance of a determination under subsection (f) expires; or

(2) determines to rehear the determination under section 5 of this chapter.

The state board of tax commissioners shall conduct a review under subdivision (1) in the same manner as a rehearing under section 5 of this chapter.

(j) A final determination must include separately stated findings of fact for all aspects of the determination. Findings of ultimate fact must be accompanied by a concise statement of the underlying basic facts of record to support the findings. Findings must be based exclusively upon the evidence on the record in the proceeding and on matters officially noticed in the proceeding. Findings must be based upon a preponderance of the evidence.

(k) The Indiana board may limit the scope of the appeal to the issues raised in the petition and the evaluation of the evidence presented to the county property tax assessment board of appeals in support of those issues only if all persons participating in the hearing required under subsection (a) agree to the limitation. A person participating in the hearing required under subsection (a) is entitled to introduce evidence that is otherwise proper and admissible without regard to whether that evidence has previously been introduced at a hearing before the county property tax assessment board of appeals.

(l) The Indiana board:

(1) may require the parties to the appeal to file not more than five (5) business days before the date of the hearing required under subsection (a) documentary evidence or summaries of statements of testimonial evidence; and

(2) may require the parties to the appeal to file not more than fifteen (15) business days before the date of the hearing required under subsection (a) lists of witnesses and exhibits to be introduced at the hearing.

(m) A party to a proceeding before the Indiana board shall provide to another party to the proceeding the information described in subsection (l) if the other party requests the information in writing at least ten (10) days before the deadline for filing of the information under subsection (l).

SECTION 45. IC 6-1.1-15-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 5. (a) Within fifteen (15) days after the division of appeals of the state Indiana board of tax commissioners gives notice of its final determination under section 4 of this chapter to the party or the maximum allowable time for the issuance of a final determination by the division of appeals Indiana

board under section 4 of this chapter expires, a party to the proceeding may request a rehearing before the **Indiana** board. The **Indiana** board may conduct a rehearing and affirm or modify its final determination, giving the same notices after the rehearing as are required by section 4 of this chapter. The ~~state Indiana board of tax commissioners~~ has ~~thirty (30)~~ **fifteen (15)** days after receiving a petition for a rehearing to determine whether to grant a rehearing. Failure to grant a rehearing within ~~thirty (30)~~ **fifteen (15)** days after receiving the petition shall be treated as a final determination to deny the petition. A petition for a rehearing does not toll the time in which to file a petition for judicial review unless the petition for rehearing is granted. If the ~~state Indiana board of tax commissioners~~ determines to rehear a final determination, ~~of the division of appeals~~, the **state Indiana** board: ~~of tax commissioners~~:

(1) may conduct the additional hearings that the **state Indiana** board ~~of tax commissioners~~ determines necessary or review the written record ~~of the division of appeals~~ without additional hearings; and

(2) shall issue a final determination within ninety (90) days after notifying the parties that the **state Indiana** board ~~of tax commissioners~~ will rehear the **final** determination.

Failure of the **state Indiana** board ~~of tax commissioners~~ to make a **final** determination within the time allowed under subdivision (2) shall be treated as a final determination affirming the **original** decision of the ~~division of appeals~~: **Indiana board**.

(b) A person may ~~appeal~~ **petition for judicial review** of the final determination of the ~~division of appeals~~ or the **state Indiana** board ~~of tax commissioners~~ regarding the assessment of that person's tangible property. The ~~appeal~~ **action** shall be taken to the tax court ~~Appeals~~ **under IC 4-21.5-5. Petitions for judicial review** may be consolidated at the request of the appellants if it can be done in the interest of justice. **The property tax assessment board of appeals that made the determination under appeal under this section may, with the approval of the county executive, file an amicus curiae brief in the review proceeding under this section. The expenses incurred by the property tax assessment board of appeals in filing the amicus curiae brief shall be paid from the reassessment fund under IC 6-1.1-4-27. In addition, the executive of a taxing unit may file an amicus curiae brief in the review proceeding under this section if the property whose assessment is under appeal is subject to assessment by that taxing unit. A:**

(1) township assessor, county assessor, member of a county property tax assessment board of appeals, or county property tax assessment board of appeals that made the original assessment determination under appeal under this section; or
(2) county auditor who made the original enterprise zone inventory credit determination under appeal under IC 6-1.1-20.8;

is a party to the review under this section to defend the determination.

(c) If a person desires to initiate an appeal of the state board of tax

commissioners' final determination; the person shall:

- (1) file a written notice with the state board of tax commissioners informing the board of his intention to appeal;
- (2) file a complaint in the tax court; and
- (3) serve the attorney general and the county assessor with a copy of the complaint.

(d) (c) To initiate an appeal a proceeding for judicial review under this section, a person must take the action required by subsection (c) (b) within:

- (1) forty-five (45) days after the state Indiana board of tax commissioners gives the person notice of its final determination under IC 6-1.1-14-11 unless a rehearing is conducted under subsection (a); or
- (2) thirty (30) days after the Indiana board gives the person notice under subsection (a) of its final determination, if a rehearing is conducted under subsection (a) or the maximum time elapses for the state Indiana board of tax commissioners to make a determination under this section. or
- (3) forty-five (45) days after the division of appeals gives notice of a final determination under section 4 of this chapter or the division fails to make a determination within the maximum time allowed under section 4 of this chapter; if a rehearing is not granted under this section.

(e) (d) The failure of the state Indiana board of tax commissioners to conduct a hearing within the time period prescribed in section 4(b) section 4(f) or 4(g) of this chapter does not constitute notice to the person of a an Indiana board final determination.

(f) (e) In a case in which the final determination of the state board of tax commissioners would result in a claim by a taxpayer with respect to a particular year for a refund that exceeds:

- (1) eight hundred thousand dollars (\$800,000); or
- (2) an amount equal to ten percent (10%) of the aggregate tax levies of all taxing units in the county for that year;

whichever is less; The county executive may take an appeal petition for judicial review to the tax court in the manner prescribed in this section but only upon request by the county assessor or elected township assessor. If the county executive determines upon a request under this subsection to not appeal to the tax court, the entity described in subsection (b) that made the original determination under appeal under this section may take an appeal to the tax court in the manner prescribed in this section using funds from that entity's budget.

SECTION 46. IC 6-1.1-15-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 6. (a) If an appeal a petition for judicial review is initiated by a person under section 5 of this chapter, the secretary of the state Indiana board of tax commissioners shall prepare a certified transcript record of the proceedings related to the appeal. However, the transcript shall not include the evidence compiled by the board with respect to the proceedings. The secretary of the board shall transmit the transcript to

the clerk of the court designated by the appellant. petition.

(b) The record for judicial review must include the following documents and items:

(1) Copies of all papers submitted to the Indiana board during the course of the action and copies of all papers provided to the parties by the Indiana board. For purposes of this subdivision, the term "papers" includes, without limitation, all notices, petitions, motions, pleadings, orders, orders on rehearing, briefs, requests, intermediate rulings, photographs, and other written documents.

(2) Evidence received or considered by the Indiana board.

(3) A statement of whether a site inspection was conducted, and, if a site inspection was conducted, either:

(A) a summary report of the site inspection; or

(B) a videotape transcript of the site inspection.

(4) A statement of matters officially noticed.

(5) Proffers of proof and objections and rulings on them.

(6) Copies of proposed findings, requested orders, and exceptions.

(7) Either:

(A) a transcription of the audio tape of the hearing; or

(B) a transcript of the hearing prepared by a court reporter.

Copies of exhibits that, because of their nature, cannot be incorporated into the certified record must be kept by the Indiana board until the appeal is finally terminated. However, this evidence must be briefly named and identified in the transcript of the evidence and proceedings.

(c) If the tax court judge finds that:

(1) a report of all or a part of the evidence or proceedings at a hearing conducted by the Indiana board was not made; or

(2) a transcript is unavailable;

a party to the appeal initiated under section 5 of this chapter may, at the discretion of the tax court judge, prepare a statement of the evidence or proceedings. The statement must be submitted to the tax court and also must be served on all other parties. A party to the proceeding may serve objections or prepare amendments to the statement not later than ten (10) days after service.

SECTION 47. IC 6-1.1-15-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 8. (a) If a final determination by the ~~state~~ **Indiana** board of tax commissioners regarding the assessment of any tangible property is vacated, set aside, or adjudged null and void under the ~~finding, decision or judgment~~ of the ~~Indiana~~ tax court **under IC 4-21.5-5**, the matter of the assessment of the property shall be remanded to the ~~state~~ **Indiana** board of tax commissioners for reassessment and further proceedings as specified in the decision of the tax court. Upon remand, the ~~state~~ **Indiana** board of tax commissioners may take action only on those issues specified in the decision of the tax court.

(b) The ~~state~~ **Indiana** board of tax commissioners shall take action on a case remanded to it by the tax court not later than ninety (90) days after the date the decision of the tax court is rendered, unless an appeal

of the final determination of the Indiana board is filed with the supreme court as provided in ~~IC 33-3-5-15~~. **initiated under IC 4-21.5-5-16.** The state Indiana board of tax commissioners may petition the tax court at any time for an extension of the ninety (90) day period. An extension shall be granted upon a showing of reasonable cause.

(c) The taxpayer in a case remanded under subsection (a) may petition the tax court for an order requiring the ~~state Indiana board of tax commissioners~~ to show cause why action has not been taken pursuant to the tax court's decision if:

(1) at least ninety (90) days have elapsed since the tax court's decision was rendered;

(2) the ~~state Indiana board of tax commissioners~~ has not taken action on the issues specified in the tax court's decision; and

(3) an appeal of the tax court's decision has not been filed.

(d) If a case remanded under subsection (a) is appealed ~~to the supreme court as provided in IC 33-3-5-15~~, **under IC 4-21.5-5-16**, the ninety (90) day period provided in subsection (b) is tolled until the ~~supreme court concludes the appeal is concluded.~~

SECTION 48. IC 6-1.1-15-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 9. (a) If ~~the assessment of~~ tangible property is ~~reassessed corrected~~ by the ~~state Indiana board of tax commissioners~~ under section 8 of this chapter, the owner of the property has a right to appeal the **Indiana board's final determination of the reassessment: corrected assessment.** In a case meeting the requirements of ~~section 5(f)(1) or 5(f)(2)~~ **section 5(e)(1) or 5(e)(2)** of this chapter, the county executive also has a right to appeal the **Indiana board's final determination of the reassessment** but only upon request by the county assessor.

(b) An appeal under this section must be initiated in the manner prescribed in section 5 of this chapter.

SECTION 49. IC 6-1.1-15-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 10. (a) If a petition for review to any board or ~~an appeal to a proceeding for judicial review in~~ the tax court regarding an assessment or increase in assessment is pending, the taxes resulting from the assessment or increase in assessment are, notwithstanding the provisions of IC 6-1.1-22-9, not due until after the petition for review, or the ~~appeal; proceeding for judicial review,~~ is finally adjudicated and the assessment or increase in assessment is finally determined. However, even though a petition for review or ~~an appeal a proceeding for judicial review~~ is pending, the taxpayer shall pay taxes on the tangible property when the property tax installments come due, unless the collection of the taxes is ~~enjoined stayed under IC 4-21.5-5-9~~ pending ~~an original tax appeal under IC 33-3-5: a final determination in the proceeding for judicial review.~~ The amount of taxes which the taxpayer is required to pay, pending the final determination of the assessment or increase in assessment, shall be based on:

(1) the assessed value reported by the taxpayer on ~~his the taxpayer's~~ personal property return if a personal property

assessment, or an increase in such an assessment, is involved; or
 (2) an amount based on the immediately preceding year's
 assessment of real property if an assessment, or increase in
 assessment, of real property is involved.

(b) If the petition for review or the ~~appeal~~ **proceeding for judicial review** is not finally determined by the last installment date for the taxes, the taxpayer, upon showing of cause by a taxing official or at the tax court's discretion, may be required to post a bond or provide other security in an amount not to exceed the taxes resulting from the contested assessment or increase in assessment.

(c) Each county auditor shall keep separate on the tax duplicate a record of that portion of the assessed value of property on which a taxpayer is not required to pay taxes under subsection (a). When establishing rates and calculating state school support, the ~~state board of tax commissioners~~ **department of local government finance** shall recognize the fact that a taxpayer is not required to pay taxes under certain circumstances.

SECTION 50. IC 6-1.1-15-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 12. (a) Subject to the limitations contained in subsections (c) and (d), a county auditor shall correct errors which are discovered in the tax duplicate for any one (1) or more of the following reasons:

- (1) The description of the real property was in error.
- (2) The assessment was against the wrong person.
- (3) Taxes on the same property were charged more than one (1) time in the same year.
- (4) There was a mathematical error in computing the taxes or penalties on the taxes.
- (5) There was an error in carrying delinquent taxes forward from one (1) tax duplicate to another.
- (6) The taxes, as a matter of law, were illegal.
- (7) There was a mathematical error in computing an assessment.
- (8) Through an error of omission by any state or county officer the taxpayer was not given credit for an exemption or deduction permitted by law.

(b) The county auditor shall correct an error described under subsection (a)(1), (a)(2), (a)(3), (a)(4), or (a)(5) when he finds that the error exists.

(c) If the tax is based on an assessment made or determined by the state board of tax commissioners **(before the board was abolished) or the department of local government finance**, the county auditor shall not correct an error described under subsection (a)(6), (a)(7), or (a)(8) until after the correction is either approved by the ~~state board~~ **department of local government finance** or ordered by the tax court.

(d) If the tax is not based on an assessment made or determined by the ~~state board of tax commissioners~~, **department of local government finance**, the county auditor shall correct an error described under subsection (a)(6), (a)(7), or (a)(8) only if the correction is first approved by at least two (2) of the following officials:

- (1) The township assessor.
- (2) The county auditor.

(3) The county assessor.

If two (2) of these officials do not approve such a correction, the county auditor shall refer the matter to the county property tax assessment board of appeals for determination. The county property tax assessment board of appeals shall provide a copy of the determination to the taxpayer and to the county auditor.

(e) A taxpayer may appeal a determination of the county property tax assessment board of appeals to the ~~division of appeals of the state Indiana board of tax commissioners~~ for a final administrative determination. An appeal under this section shall be conducted in the same manner as appeals under sections 4 through 8 of this chapter. The ~~state Indiana board of tax commissioners~~ shall send the final administrative determination to the taxpayer, the county auditor, the county assessor, and the township assessor.

(f) If a correction or change is made in the tax duplicate after it is delivered to the county treasurer, the county auditor shall transmit a certificate of correction to the county treasurer. The county treasurer shall keep the certificate as the voucher for settlement with the county auditor.

(g) A taxpayer that files a personal property tax return under IC 6-1.1-3 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's personal property tax return. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's personal property tax return, the taxpayer must instead file an amended personal property tax return under IC 6-1.1-3-7.5.

SECTION 51. IC 6-1.1-18.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 1. As used in this chapter:

"Ad valorem property tax levy for an ensuing calendar year" means the total property taxes imposed by a civil taxing unit for current property taxes collectible in that ensuing calendar year.

"Adopting county" means any county in which the county adjusted gross income tax is in effect.

"Civil taxing unit" means any taxing unit except a school corporation.

"Maximum permissible ad valorem property tax levy for the preceding calendar year" means the greater of:

(1) the civil taxing unit's maximum permissible ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year, as that levy was determined under section 3 of this chapter; or

(2) the civil taxing unit's ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year, as that levy was determined by the ~~state board of tax commissioners~~ **department of local government finance** in fixing the civil taxing unit's budget, levy, and rate for that preceding calendar year under IC 6-1.1-17.

"Taxable property" means all tangible property that is subject to the tax imposed by this article and is not exempt from the tax under IC 6-1.1-10 or any other law. For purposes of sections 2 and 3 of this chapter, the term "taxable property" is further defined in section 6 of

1 this chapter.

2 **"Unadjusted assessed value" means the assessed value of a civil**
 3 **taxing unit as determined by local assessing officials and the**
 4 **department of local government finance in a particular calendar**
 5 **year before the application of an annual adjustment under**
 6 **IC 6-1.1-4-4.5 for that particular calendar year or any calendar**
 7 **year since the last general reassessment preceding the particular**
 8 **calendar year.**

9 SECTION 52. IC 6-1.1-18.5-2 IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 2. (a) **This**
 11 **subsection applies to a calendar year ending before January 1,**
 12 **2006.** For purposes of determining a civil taxing unit's maximum
 13 permissible ad valorem property tax levy for an ensuing calendar year,
 14 the civil taxing unit shall use the assessed value growth quotient
 15 determined in the last STEP of the following STEPS:

16 STEP ONE: Determine the three (3) calendar years that most
 17 immediately precede the ensuing calendar year and in which a
 18 statewide general reassessment of real property does not first
 19 become effective.

20 STEP TWO: Compute separately, for each of the calendar years
 21 determined in STEP ONE, the quotient (rounded to the nearest
 22 ten-thousandth) of the civil taxing unit's total assessed value of all
 23 taxable property in the particular calendar year, divided by the civil
 24 taxing unit's total assessed value of all taxable property in the
 25 calendar year immediately preceding the particular calendar year.

26 STEP THREE: Divide the sum of the three (3) quotients computed
 27 in STEP TWO by three (3).

28 STEP FOUR: Determine the greater of the result computed in
 29 STEP THREE or one and five-hundredths (1.05).

30 STEP FIVE: Determine the lesser of the result computed in STEP
 31 FOUR or one and one-tenth (1.1).

32 (b) **This subsection applies to a calendar year beginning after**
 33 **December 31, 2005. For purposes of determining a civil taxing**
 34 **unit's maximum permissible ad valorem property tax levy for an**
 35 **ensuing calendar year, the civil taxing unit shall use the assessed**
 36 **value growth quotient determined in the last STEP of the following**
 37 **STEPS:**

38 STEP ONE: Determine the three (3) calendar years that most
 39 immediately precede the ensuing calendar year and in which
 40 a statewide general reassessment of real property does not first
 41 become effective.

42 STEP TWO: Compute separately, for each of the calendar
 43 years determined in STEP ONE, the quotient (rounded to the
 44 nearest ten-thousandth) of the civil taxing unit's total
 45 unadjusted assessed value of all taxable property in the
 46 particular calendar year, divided by the civil taxing unit's total
 47 unadjusted assessed value of all taxable property in the
 48 calendar year immediately preceding the particular calendar
 49 year.

50 STEP THREE: Divide the sum of the three (3) quotients
 51 computed in STEP TWO by three (3).

STEP FOUR: Determine the greater of the result computed in STEP THREE or one and five-hundredths (1.05).

STEP FIVE: Determine the lesser of the result computed in STEP FOUR or one and one-tenth (1.1).

(c) This subsection applies to a calendar year ending before January 1, 2006. If the assessed values of taxable property used in determining a civil taxing unit's property taxes that are first due and payable in a particular calendar year are significantly increased over the assessed values used for the immediately preceding calendar year's property taxes due to the settlement of litigation concerning the general reassessment of that civil taxing unit's real property, then for purposes of determining that civil taxing unit's assessed value growth quotient for an ensuing calendar year, the ~~state board of tax commissioners~~ **department of local government finance** shall replace the quotient described in STEP TWO of subsection (a) for that particular calendar year. The ~~state board of tax commissioners~~ **department of local government finance** shall replace that quotient with one that as accurately as possible will reflect the actual growth in the civil taxing unit's assessed values of real property from the immediately preceding calendar year to that particular calendar year.

(d) This subsection applies to a calendar year beginning after December 31, 2005. If the unadjusted assessed values of taxable property used in determining a civil taxing unit's property taxes that are first due and payable in a particular calendar year are significantly increased over the unadjusted assessed values used for the immediately preceding calendar year's property taxes due to the settlement of litigation concerning the general reassessment of that civil taxing unit's real property, then for purposes of determining that civil taxing unit's assessed value growth quotient for an ensuing calendar year, the department of local government finance shall replace the quotient described in STEP TWO of subsection (b) for that particular calendar year. The department of local government finance shall replace that quotient with one that, as accurately as possible, will reflect the actual growth in the civil taxing unit's unadjusted assessed values of real property from the immediately preceding calendar year to that particular calendar year.

SECTION 53. IC 6-1.1-18.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 3. (a) Except as otherwise provided in this chapter, a civil taxing unit that is treated as not being located in an adopting county under section 4 of this chapter may not impose an ad valorem property tax levy for an ensuing calendar year that exceeds the amount determined in the last STEP of the following STEPS:

STEP ONE: Add the civil taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year to the part of the civil taxing unit's certified share, if any, that was used to reduce the civil taxing unit's ad valorem property tax levy under STEP EIGHT of subsection (b) for that preceding calendar year.

STEP TWO: Multiply the amount determined in STEP ONE by the amount determined in **either** the last STEP of section ~~2~~ **2(a)** of this

chapter **for calendar years ending before January 1, 2006, or the last STEP of section 2(b) of this chapter for calendar years beginning after December 31, 2005.**

STEP THREE: Determine the lesser of one and fifteen hundredths (1.15) or the quotient (rounded to the nearest ten-thousandth), of the assessed value of all taxable property subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year, divided by the assessed value of all taxable property that is subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year and that is contained within the geographic area that was subject to the civil taxing unit's ad valorem property tax levy in the preceding calendar year.

STEP FOUR: Determine the greater of the amount determined in STEP THREE or one (1).

STEP FIVE: Multiply the amount determined in STEP TWO by the amount determined in STEP FOUR.

STEP SIX: Add the amount determined under STEP TWO to the amount determined under subsection (c).

STEP SEVEN: Determine the greater of the amount determined under STEP FIVE or the amount determined under STEP SIX.

(b) Except as otherwise provided in this chapter, a civil taxing unit that is treated as being located in an adopting county under section 4 of this chapter may not impose an ad valorem property tax levy for an ensuing calendar year that exceeds the amount determined in the last STEP of the following STEPS:

STEP ONE: Add the civil taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year to the part of the civil taxing unit's certified share, if any, used to reduce the civil taxing unit's ad valorem property tax levy under STEP EIGHT of this subsection for that preceding calendar year.

STEP TWO: Multiply the amount determined in STEP ONE by the amount determined in **either** the last STEP of section ~~2~~ **2(a)** of this chapter **for calendar years ending before January 1, 2006, or the last STEP of section 2(b) of this chapter for calendar years beginning after December 31, 2005.**

STEP THREE: Determine the lesser of one and fifteen hundredths (1.15) or the quotient of the assessed value of all taxable property subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year divided by the assessed value of all taxable property that is subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year and that is contained within the geographic area that was subject to the civil taxing unit's ad valorem property tax levy in the preceding calendar year.

STEP FOUR: Determine the greater of the amount determined in STEP THREE or one (1).

STEP FIVE: Multiply the amount determined in STEP TWO by the amount determined in STEP FOUR.

STEP SIX: Add the amount determined under STEP TWO to the amount determined under subsection (c).

STEP SEVEN: Determine the greater of the amount determined

under STEP FIVE or the amount determined under STEP SIX.
 STEP EIGHT: Subtract the amount determined under STEP FIVE
 of subsection (e) from the amount determined under STEP SEVEN
 of this subsection.

(c) If a civil taxing unit in the immediately preceding calendar year provided an area outside its boundaries with services on a contractual basis and in the ensuing calendar year that area has been annexed by the civil taxing unit, the amount to be entered under STEP SIX of subsection (a) or STEP SIX of subsection (b), as the case may be, equals the amount paid by the annexed area during the immediately preceding calendar year for services that the civil taxing unit must provide to that area during the ensuing calendar year as a result of the annexation. In all other cases, the amount to be entered under STEP SIX of subsection (a) or STEP SIX of subsection (b), as the case may be, equals zero (0).

(d) This subsection applies only to civil taxing units located in a county having a county adjusted gross income tax rate for resident county taxpayers (as defined in IC 6-3.5-1.1-1) of one percent (1%) as of January 1 of the ensuing calendar year. For each civil taxing unit, the amount to be added to the amount determined in subsection (e), STEP FOUR, is determined using the following formula:

STEP ONE: Multiply the civil taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year by two percent (2%).

STEP TWO: For the determination year, the amount to be used as the STEP TWO amount is the amount determined in subsection (f) for the civil taxing unit. For each year following the determination year the STEP TWO amount is the lesser of:

- (A) the amount determined in STEP ONE; or
- (B) the amount determined in subsection (f) for the civil taxing unit.

STEP THREE: Determine the greater of:

- (A) zero (0); or
- (B) the civil taxing unit's certified share for the ensuing calendar year minus the greater of:
 - (i) the civil taxing unit's certified share for the calendar year that immediately precedes the ensuing calendar year; or
 - (ii) the civil taxing unit's base year certified share.

STEP FOUR: Determine the greater of:

- (A) zero (0); or
- (B) the amount determined in STEP TWO minus the amount determined in STEP THREE.

Add the amount determined in STEP FOUR to the amount determined in subsection (e), STEP THREE, as provided in subsection (e), STEP FOUR.

(e) For each civil taxing unit, the amount to be subtracted under subsection (b), STEP EIGHT, is determined using the following formula:

STEP ONE: Determine the lesser of the civil taxing unit's base year certified share for the ensuing calendar year, as determined under section 5 of this chapter, or the civil taxing unit's certified

share for the ensuing calendar year.

STEP TWO: Determine the greater of:

(A) zero (0); or

(B) the remainder of:

(i) the amount of federal revenue sharing money that was received by the civil taxing unit in 1985; minus

(ii) the amount of federal revenue sharing money that will be received by the civil taxing unit in the year preceding the ensuing calendar year.

STEP THREE: Determine the lesser of:

(A) the amount determined in STEP TWO; or

(B) the amount determined in subsection (f) for the civil taxing unit.

STEP FOUR: Add the amount determined in subsection (d), STEP FOUR, to the amount determined in STEP THREE.

STEP FIVE: Subtract the amount determined in STEP FOUR from the amount determined in STEP ONE.

(f) As used in this section, a taxing unit's "determination year" means the latest of:

(1) calendar year 1987, if the taxing unit is treated as being located in an adopting county for calendar year 1987 under section 4 of this chapter;

(2) the taxing unit's base year, as defined in section 5 of this chapter, if the taxing unit is treated as not being located in an adopting county for calendar year 1987 under section 4 of this chapter; or

(3) the ensuing calendar year following the first year that the taxing unit is located in a county that has a county adjusted gross income tax rate of more than one-half percent (0.5%) on July 1 of that year.

The amount to be used in subsections (d) and (e) for a taxing unit depends upon the taxing unit's certified share for the ensuing calendar year, the taxing unit's determination year, and the county adjusted gross income tax rate for resident county taxpayers (as defined in IC 6-3.5-1.1-1) that is in effect in the taxing unit's county on July 1 of the year preceding the ensuing calendar year. For the determination year and the ensuing calendar years following the taxing unit's determination year, the amount is the taxing unit's certified share for the ensuing calendar year multiplied by the appropriate factor prescribed in the following table:

COUNTIES WITH A TAX RATE OF 1/2%

Subsection (e)

Year	Factor
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For the determination year and each ensuing calendar year following the determination year	0
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COUNTIES WITH A TAX RATE OF 3/4%

Subsection (e)

Year	Factor
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For the determination year and each ensuing calendar year following the determination year	1/2
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COUNTIES WITH A TAX RATE OF 1.0%

Subsection (d)	Subsection (e)
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1	Year	Factor	Factor
2	For the determination year	1/6	1/3
3	For the ensuing calendar year		
4	following the determination year	1/4	1/3
5	For the ensuing calendar year		
6	following the determination		
7	year by two (2) years	1/3	1/3
8	SECTION 54. IC 6-1.1-18.5-6 IS AMENDED TO READ AS		
9	FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 6. (a) For		
10	purposes of STEP TWO of section 2 2(a) of this chapter and STEP		
11	TWO of section 2(b) of this chapter , the civil taxing unit's taxable		
12	property includes all taxable property located in the geographic area		
13	subject to the civil taxing unit's ad valorem property tax levy for the		
14	ensuing calendar year, regardless of whether that property was located		
15	in the geographic area subject to the civil taxing unit's ad valorem		
16	property tax levy in the calendar years for which the computation is		
17	made.		
18	(b) For purposes of STEP TWO of section 2 2(a) of this chapter,		
19	STEP THREE of section 3(a) of this chapter, and STEP THREE of		
20	section 3(b) of this chapter, the assessed value of taxable property is		
21	the assessed value of that property as determined by the state board of		
22	tax commissioners department of local government finance in fixing		
23	the civil taxing unit's budget, levy, and rate for the applicable calendar		
24	year, excluding deductions allowed under IC 6-1.1-12 or IC 6-1.1-12.1.		
25	SECTION 55. IC 6-1.1-18.5-13, AS AMENDED BY P.L.6-1997,		
26	SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE		
27	JANUARY 1, 2002]: Sec. 13. With respect to an appeal filed under		
28	section 12 of this chapter, the local government tax control board may		
29	recommend that a civil taxing unit receive any one (1) or more of the		
30	following types of relief:		
31	(1) Permission to the civil taxing unit to reallocate the amount set		
32	aside as a property tax replacement credit as required by		
33	IC 6-3.5-1.1 for a purpose other than property tax relief. However,		
34	whenever this occurs, the local government tax control board shall		
35	also state the amount to be reallocated.		
36	(2) Permission to the civil taxing unit to increase its levy in excess		
37	of the limitations established under section 3 of this chapter, if in		
38	the judgment of the local government tax control board the		
39	increase is reasonably necessary due to increased costs of the civil		
40	taxing unit resulting from annexation, consolidation, or other		
41	extensions of governmental services by the civil taxing unit to		
42	additional geographic areas or persons.		
43	(3) Permission to the civil taxing unit to increase its levy in excess		
44	of the limitations established under section 3 of this chapter, if the		
45	local government tax control board finds that the civil taxing unit		
46	needs the increase to meet the civil taxing unit's share of the costs		
47	of operating a court established by statute enacted after December		
48	31, 1973. Before recommending such an increase, the local		
49	government tax control board shall consider all other revenues		
50	available to the civil taxing unit that could be applied for that		
51	purpose. The maximum aggregate levy increases that the local		

government tax control board may recommend for a particular court equals the civil taxing unit's share of the costs of operating a court for the first full calendar year in which it is in existence.

(4) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the civil taxing unit's average three (3) year growth factor, as determined in section 2 **2(a)** (STEP THREE) of this chapter **for calendar years ending before January 1, 2006, or section 2(b) (STEP THREE) of this chapter for calendar years beginning after December 31, 2005**, exceeds one and one-tenth (1.1). However, any increase in the amount of the civil taxing unit's levy recommended by the local government tax control board under this subdivision may not exceed an amount equal to the remainder of:

(A) the amount of ad valorem property taxes the civil taxing unit could impose for the ensuing calendar year under section 3 of this chapter if at STEP TWO of subsection (a) or (b), as the case may be, the amount determined in STEP THREE of section 2 **2(a)** of this chapter **for calendar years ending before January 1, 2006, or in STEP THREE of section 2(b) of this chapter for calendar years beginning after December 31, 2005**, is substituted for the amount determined under STEP FIVE of section 2 **2(a)** of this chapter **for calendar years ending before January 1, 2006, or under STEP FIVE of section 2(b) of this chapter for calendar years beginning after December 31, 2005**; minus

(B) the amount of ad valorem property taxes the civil taxing unit could impose under section 3 of this chapter for the ensuing calendar year.

In addition, before the local government tax control board may recommend the relief allowed under this subdivision, the civil taxing unit must show a need for the increased levy because of special circumstances, and the local government tax control board must consider other sources of revenue and other means of relief.

(5) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to pay the costs of furnishing fire protection for the civil taxing unit through a volunteer fire department. For purposes of determining a township's need for an increased levy, the local government tax control board shall not consider the amount of money borrowed under IC 36-6-6-14 during the immediately preceding calendar year. However, any increase in the amount of the civil taxing unit's levy recommended by the local government tax control board under this subdivision for the ensuing calendar year may not exceed the lesser of:

(A) ten thousand dollars (\$10,000); or

(B) twenty percent (20%) of:

(i) the amount authorized for operating expenses of a volunteer fire department in the budget of the civil taxing unit for the immediately preceding calendar year; plus

(ii) the amount of any additional appropriations authorized

- 1 during that calendar year for the civil taxing unit's use in
 2 paying operating expenses of a volunteer fire department
 3 under IC 6-1.1-18.5; minus
 4 (iii) the amount of money borrowed under IC 36-6-6-14 during
 5 that calendar year for the civil taxing unit's use in paying
 6 operating expenses of a volunteer fire department.
- 7 (6) Permission to a civil taxing unit to increase its levy in excess
 8 of the limitations established under section 3 of this chapter in
 9 order to raise revenues for pension payments and contributions the
 10 civil taxing unit is required to make under IC 36-8. The maximum
 11 increase in a civil taxing unit's levy that may be recommended
 12 under this subdivision for an ensuing calendar year equals the
 13 amount, if any, by which the pension payments and contributions
 14 the civil taxing unit is required to make under IC 36-8 during the
 15 ensuing calendar year exceeds the product of one and one-tenth
 16 (1.1) multiplied by the pension payments and contributions made
 17 by the civil taxing unit under IC 36-8 during the calendar year that
 18 immediately precedes the ensuing calendar year. For purposes of
 19 this subdivision, "pension payments and contributions made by a
 20 civil taxing unit" does not include that part of the payments or
 21 contributions that are funded by distributions made to a civil taxing
 22 unit by the state.
- 23 (7) Permission to increase its levy in excess of the limitations
 24 established under section 3 of this chapter if the local government
 25 tax control board finds that:
- 26 (A) the township's poor relief ad valorem property tax rate is less
 27 than one and sixty-seven hundredths cents (\$0.0167) per one
 28 hundred dollars (\$100) of assessed valuation; and
 29 (B) the township needs the increase to meet the costs of
 30 providing poor relief under IC 12-20 and IC 12-30-4.
- 31 The maximum increase that the board may recommend for a
 32 township is the levy that would result from an increase in the
 33 township's poor relief ad valorem property tax rate of one and
 34 sixty-seven hundredths cents (\$0.0167) per one hundred dollars
 35 (\$100) of assessed valuation minus the township's ad valorem
 36 property tax rate per one hundred dollars (\$100) of assessed
 37 valuation before the increase.
- 38 (8) Permission to a civil taxing unit to increase its levy in excess
 39 of the limitations established under section 3 of this chapter if:
- 40 (A) the increase has been approved by the legislative body of the
 41 municipality with the largest population where the civil taxing
 42 unit provides public transportation services; and
 43 (B) the local government tax control board finds that the civil
 44 taxing unit needs the increase to provide adequate public
 45 transportation services.
- 46 The local government tax control board shall consider tax rates and
 47 levies in civil taxing units of comparable population, and the effect
 48 (if any) of a loss of federal or other funds to the civil taxing unit
 49 that might have been used for public transportation purposes.
 50 However, the increase that the board may recommend under this
 51 subdivision for a civil taxing unit may not exceed the revenue that

would be raised by the civil taxing unit based on a property tax rate of one cent (\$0.01) per one hundred dollars (\$100) of assessed valuation.

(9) Permission to a civil taxing unit to increase the unit's levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the civil taxing unit is:

(i) a county having a population of more than one hundred twenty-nine thousand (129,000) but less than one hundred thirty thousand six hundred (130,600);

(ii) a city having a population of more than forty-three thousand seven hundred (43,700) but less than forty-four thousand (44,000);

(iii) a city having a population of more than twenty-five thousand five hundred (25,500) but less than twenty-six thousand (26,000);

(iv) a city having a population of more than fifteen thousand three hundred fifty (15,350) but less than fifteen thousand five hundred seventy (15,570); or

(v) a city having a population of more than five thousand six hundred fifty (5,650) but less than five thousand seven hundred eight (5,708); and

(B) the increase is necessary to provide funding to undertake removal (as defined in IC 13-7-8.7-1) and remedial action (as defined in IC 13-7-8.7-1) relating to hazardous substances (as defined in IC 13-7-8.7-1) in solid waste disposal facilities or industrial sites in the civil taxing unit that have become a menace to the public health and welfare.

The maximum increase that the local government tax control board may recommend for such a civil taxing unit is the levy that would result from a property tax rate of six and sixty-seven hundredths cents (\$0.0667) for each one hundred dollars (\$100) of assessed valuation. For purposes of computing the ad valorem property tax levy limit imposed on a civil taxing unit under section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular year does not include that part of the levy imposed under this subdivision. In addition, a property tax increase permitted under this subdivision may be imposed for only two (2) calendar years.

(10) Permission for a county having a population of more than seventy-eight thousand (78,000) but less than eighty-five thousand (85,000) to increase the county's levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the county needs the increase to meet the county's share of the costs of operating a jail or juvenile detention center, including expansion of the facility, if the jail or juvenile detention center is opened after December 31, 1991. Before recommending an increase, the local government tax control board shall consider all other revenues available to the county that could be applied for that purpose. An appeal for operating funds for a jail or juvenile detention center shall be

considered individually, if a jail and juvenile detention center are both opened in one (1) county. The maximum aggregate levy increases that the local government tax control board may recommend for a county equals the county's share of the costs of operating the jail or juvenile detention center for the first full calendar year in which the jail or juvenile detention center is in operation.

(11) Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township needs the increase so that the property tax rate to pay the costs of furnishing fire protection for a township, or a portion of a township, enables the township to pay a fair and reasonable amount under a contract with the municipality that is furnishing the fire protection. However, for the first time an appeal is granted the resulting rate increase may not exceed fifty percent (50%) of the difference between the rate imposed for fire protection within the municipality that is providing the fire protection to the township and the township's rate. A township is required to appeal a second time for an increase under this subdivision if the township wants to further increase its rate. However, a township's rate may be increased to equal but may not exceed the rate that is used by the municipality. More than one (1) township served by the same municipality may use this appeal.

SECTION 56. IC 6-1.1-20.8-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 2. (a) A person that desires to claim the credit provided by section 1 of this chapter shall file a certified application, on forms prescribed by the state board of tax commissioners, with:

- (1) the auditor of the county where the property for which the credit is claimed was located on the assessment date; and
- (2) the state board of tax commissioners.

A person that timely files a personal property return under IC 6-1.1-3-7(a) for an assessment year must file the application between March 1 and May 15 of that year in order to obtain the credit in the following year. A person that obtains a filing extension under IC 6-1.1-3-7(b) for an assessment year must file the application between March 1 and ~~June 14~~ **of the extended due date for** that year in order to obtain the credit in the following year.

(b) A taxpayer shall include on an application filed under this section all information that the state board of tax commissioners requires to determine eligibility for the credit provided under this chapter.

(c) Compliance with this chapter does not exempt a person from compliance with IC 4-4-6.1-2.5.

SECTION 57. IC 6-1.1-20.8-2.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: **Sec. 2.5. (a) A person that desires to claim the credit provided by section 1 of this chapter shall file a certified application, on forms prescribed by the department of local government finance, with:**

- (1) the auditor of the county where the property for which the credit is claimed was located on the assessment date; and**

(2) the department of local government finance.

A person that timely files a personal property return under IC 6-1.1-3-7(a) for an assessment year must file the application between March 1 and May 15 of that year in order to obtain the credit in the following year. A person that obtains a filing extension under IC 6-1.1-3-7(b) for an assessment year must file the application between March 1 and the extended due date for that year in order to obtain the credit in the following year.

(b) A taxpayer shall include on an application filed under this section all information that the department of local government finance requires to determine eligibility for the credit provided under this chapter.

(c) Compliance with this chapter does not exempt a person from compliance with IC 4-4-6.1-2.5.

SECTION 58. IC 6-1.1-20.8-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 3. (a) The county auditor shall determine the eligibility of each applicant under this chapter and shall notify the applicant, ~~and the state board of tax commissioners;~~ **department of local government finance, and the Indiana board** of the determination before August 15 of the year in which the application is made. This notice must contain a statement that:

(1) the applicant is entitled to appeal a denial of eligibility; and

(2) the ~~state board of tax commissioners~~ **department of local government finance** may, upon its own initiative, review the application and deny the credit.

(b) If the county auditor determines that an applicant is not eligible, the applicant may appeal for a review of the application by the ~~state Indiana board of tax commissioners.~~ An appeal is perfected by the filing of a written request for review with the ~~state Indiana board of tax commissioners~~ **Indiana board** no not later than thirty (30) days after the date on the county auditor's notice. The request must:

(1) state the name of the applicant;

(2) identify the application; and

(3) state the reasons the applicant believes that the county auditor's decision is incorrect.

(c) The ~~state Indiana board of tax commissioners~~ shall review the application of any applicant who files an appeal under subsection (b). **The Indiana board shall notify the applicant and the county auditor of the Indiana board's decision to allow or disallow the credit.**

(d) The ~~state board of tax commissioners~~ **department of local government finance** may review any application and if it finds that the applicant has been denied but is eligible or that the applicant is not eligible, the ~~board~~ **department** shall notify the applicant and the county auditor of the ~~board's~~ **department's** decision to allow or disallow the credit.

(e) **If a person desires to initiate a proceeding for judicial review of the Indiana board's final determination under subsection (c), the person must petition for judicial review under IC 4-21.5-5 not more than forty-five (45) days after the Indiana board gives the**

1 person notice of the final determination.

2 (f) If a person desires to initiate an appeal of the decision of the
3 department of local government finance to disallow the credit
4 under subsection (d), the person shall file a petition for review with
5 the Indiana board not more than forty-five (45) days after the
6 department gives the person notice of the decision.

7 ~~(d)~~ (g) If a person desires to initiate an appeal a proceeding for
8 judicial review of the state board of tax commissioners' Indiana
9 board's final determination under subsection (f), this section, the
10 person must do all of the following petition for judicial review under
11 IC 4-21.5-5 not more than forty-five (45) days after the state Indiana
12 board of tax commissioners gives the person notice of the final
13 determination.

14 (1) File a written notice with the state board of tax commissioners
15 informing the board of the person's intention to appeal.

16 (2) File a complaint in the tax court.

17 (3) Serve the attorney general and the county auditor with a copy
18 of the complaint.

19 SECTION 59. IC 6-1.1-21-4 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 4. (a) Each year
21 the department shall allocate from the property tax replacement fund
22 an amount equal to the sum of:

23 (1) twenty percent (20%) of each county's total county tax levy
24 payable that year; plus

25 (2) the total amount of homestead tax credits that are provided
26 under IC 6-1.1-20.9 and allowed by each county for that year; plus

27 (3) an amount for each county that has one (1) or more taxing
28 districts that contain all or part of an economic development
29 district that meets the requirements of section 5.5 of this chapter.

30 This amount is the sum of the amounts determined under the
31 following STEPS for all taxing districts in the county that contain
32 all or part of an economic development district:

33 STEP ONE: Determine that part of the sum of the amounts under
34 section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable
35 to the taxing district.

36 STEP TWO: Divide:

37 (A) that part of the subdivision (1) amount that is attributable
38 to the taxing district; by

39 (B) the STEP ONE sum.

40 STEP THREE: Multiply:

41 (A) the STEP TWO quotient; times

42 (B) the property taxes levied in the taxing district that are
43 allocated to a special fund under IC 6-1.1-39-5.

44 (b) **Except as provided in subsection (e)**, between March 1 and
45 August 31 of each year, the department shall distribute to each county
46 treasurer from the property tax replacement fund one-half (1/2) of the
47 estimated distribution for that year for the county. Between September
48 1 and December 15 of that year, the department shall distribute to each
49 county treasurer from the property tax replacement fund the remaining
50 one-half (1/2) of each estimated distribution for that year. The amount
51 of the distribution for each of these periods shall be according to a

1 schedule determined by the property tax replacement fund board under
 2 section 10 of this chapter. The estimated distribution for each county
 3 may be adjusted from time to time by the department to reflect any
 4 changes in the total county tax levy upon which the estimated
 5 distribution is based.

6 (c) On or before December 31 of each year or as soon thereafter as
 7 possible, the department shall make a final determination of the amount
 8 which should be distributed from the property tax replacement fund to
 9 each county for that calendar year. This determination shall be known
 10 as the final determination of distribution. The department shall
 11 distribute to the county treasurer or receive back from the county
 12 treasurer any deficit or excess, as the case may be, between the sum of
 13 the distributions made for that calendar year based on the estimated
 14 distribution and the final determination of distribution. The final
 15 determination of distribution shall be based on the auditor's abstract
 16 filed with the auditor of state, adjusted for postabstract adjustments
 17 included in the December settlement sheet for the year, and such
 18 additional information as the department may require.

19 (d) All distributions provided for in this section shall be made on
 20 warrants issued by the auditor of state drawn on the treasurer of state.
 21 If the amounts allocated by the department from the property tax
 22 replacement fund exceed in the aggregate the balance of money in the
 23 fund, then the amount of the deficiency shall be transferred from the
 24 state general fund to the property tax replacement fund, and the auditor
 25 of state shall issue a warrant to the treasurer of state ordering the
 26 payment of that amount. However, any amount transferred under this
 27 section from the general fund to the property tax replacement fund
 28 shall, as soon as funds are available in the property tax replacement
 29 fund, be retransferred from the property tax replacement fund to the
 30 state general fund, and the auditor of state shall issue a warrant to the
 31 treasurer of state ordering the replacement of that amount.

32 **(e) Except as provided in subsection (i), the department shall not**
 33 **distribute under subsection (b) and section 10 of this chapter the**
 34 **money attributable to the county's property reassessment fund if,**
 35 **by the date the distribution is scheduled to be made, the county**
 36 **auditor has not sent a certified statement required to be sent by**
 37 **that date under IC 6-1.1-17-1 to the department of local**
 38 **government finance.**

39 **(f) Except as provided in subsection (i), if the elected township**
 40 **assessors in the county, the elected township assessors and the**
 41 **county assessor, or the county assessor has not transmitted to the**
 42 **department of local government finance by October 1 of the year**
 43 **in which the distribution is scheduled to be made the data for all**
 44 **townships in the county required to be transmitted under**
 45 **IC 6-1.1-4-25(b), the state board or the department shall not**
 46 **distribute under subsection (b) and section 10 of this chapter a part**
 47 **of the money attributable to the county's property reassessment**
 48 **fund. The portion not distributed is the amount that bears the same**
 49 **proportion to the total potential distribution as the number of**
 50 **townships in the county for which data was not transmitted by**
 51 **August 1 as described in this section bears to the total number of**

1 townships in the county.

2 (g) Money not distributed under subsection (e) shall be
3 distributed to the county when the county auditor sends to the
4 department of local government finance the certified statement
5 required to be sent under IC 6-1.1-17-1 with respect to which the
6 failure to send resulted in the withholding of the distribution under
7 subsection (e).

8 (h) Money not distributed under subsection (f) shall be
9 distributed to the county when the elected township assessors in the
10 county, the elected township assessors and the county assessor, or
11 the county assessor transmits to the department of local
12 government finance the data required to be transmitted under
13 IC 6-1.1-4-25(b) with respect to which the failure to transmit
14 resulted in the withholding of the distribution under subsection (f).

15 (i) The restrictions on distributions under subsections (e) and (f)
16 do not apply if the department of local government finance
17 determines that:

18 (1) the failure of a county auditor to send a certified statement
19 as described in subsection (e); or

20 (2) the failure of an official to transmit data as described in
21 subsection (f);

22 is justified by unusual circumstances.

23 SECTION 60. IC 6-1.1-25-4 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 4. (a) If a
25 certificate of sale is issued to a purchaser under IC 6-1.1-24-9 and the
26 real property is not redeemed within:

27 (1) one (1) year after the date of sale;

28 (2) one hundred twenty (120) days after the county acquires a lien
29 on the property under IC 6-1.1-24-6;

30 (3) one hundred twenty (120) days from the date of sale to a
31 purchasing agency qualified under IC 36-7-17;

32 (4) one hundred twenty (120) days from the date of sale of real
33 property on the list prepared under IC 6-1.1-24-1.5; or

34 (5) one hundred twenty (120) days after the date of sale under
35 IC 6-1.1-24-5.5(b);

36 as extended by compliance with the notice provisions in section 4.5 of
37 this chapter, the county auditor shall, upon receipt of the certificate and
38 subject to the limitations contained in this chapter, execute and deliver
39 a deed for the property to the purchaser. If a certificate of sale is issued
40 to a county under IC 6-1.1-24-9 and the real property is not redeemed
41 within one (1) year after the date of sale, the county auditor shall, upon
42 receipt of the certificate and subject to the limitations contained in this
43 chapter, issue a deed for the property to the county. The county auditor
44 shall execute deeds issued under this section in the name of the state
45 under the county auditor's name and seal. If a certificate of sale is lost
46 before the execution of a deed, the county auditor shall, subject to the
47 limitations in this chapter, execute and deliver a deed if the court has
48 made a finding that the certificate did exist.

49 (b) When a deed for real property is executed under this section, the
50 county auditor shall cancel the certificate of sale and file the canceled
51 certificate in his office. If real property that appears on the list prepared

under IC 6-1.1-24-1.5 is offered for sale and an amount that is at least equal to the minimum sale price required under IC 6-1.1-24-5(e) is not received, the county auditor shall issue a deed to the real property in the manner provided in IC 6-1.1-24-6.5.

(c) When a deed is issued to a county under this section, the taxes and special assessments for which the real property was offered for sale, and all subsequent taxes, special assessments, interest, penalties, and cost of sale shall be removed from the tax duplicate in the same manner that taxes are removed by certificate of error.

(d) A tax deed executed under this section vests in the grantee an estate in fee simple absolute, free and clear of all liens and encumbrances created or suffered before or after the tax sale except those liens granted priority under federal law and the lien of the state or a political subdivision for taxes and special assessments which accrue subsequent to the sale and which are not removed under subsection (c). However, the estate is subject to all easements, covenants, declarations, and other deed restrictions and laws governing land use, including all zoning restrictions and liens and encumbrances created or suffered by the purchaser at the tax sale. The deed is prima facie evidence of:

(1) the regularity of the sale of the real property described in the deed;

(2) the regularity of all proper proceedings; and

(3) valid title in fee simple in the grantee of the deed.

(e) Notwithstanding the provisions of subsection (a), a county auditor is not required to execute a deed to the county under subsection (a) if the county executive determines that the property involved contains hazardous waste or another environmental hazard for which the cost of abatement or alleviation will exceed the fair market value of the property. The county may enter the property to conduct environmental investigations.

(f) If the county executive makes the determination under subsection (e) as to any interest in an oil or gas lease or separate mineral rights, the county treasurer shall certify all delinquent taxes, interest, penalties, and costs assessed under IC 6-1.1-24 to the clerk, following the procedures in IC 6-1.1-23-9. After the date of the county treasurer's certification, the certified amount is subject to collection as delinquent personal property taxes under IC 6-1.1-23. Notwithstanding IC 6-1.1-4-12.4 and ~~IC 6-1.1-4-12.5~~, **IC 6-1.1-4-12.6** the assessed value of such an interest shall be zero (0) until production commences.

SECTION 61. IC 6-1.1-26-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 2. (a) The county auditor shall forward a claim for refund filed under section 1 of this chapter to the ~~state board of tax commissioners~~ **department of local government finance** for review by the ~~board~~ **department** if:

(1) the claim is for the refund of taxes paid on an assessment made or determined by the state board of tax commissioners **(before the board was abolished) or the department of local government finance**; and

(2) the claim is based upon the grounds specified in IC 6-1.1-26-1(4)(ii) or IC 6-1.1-26-1(4)(iii).

(b) The ~~state board of tax commissioners~~ **department of local government finance** shall review each refund claim forwarded to it under this section. The ~~board~~ **department** shall certify its approval or disapproval on the claim and shall return the claim to the county auditor.

(c) Before the ~~state board of tax commissioners~~ **department of local government finance** disapproves a refund claim ~~which that~~ is forwarded to it under this section, the ~~board~~ **department** shall notify the claimant of its intention to disapprove the claim and of the time and place fixed for a hearing on the claim. The ~~board~~ **department** shall hold the hearing within thirty (30) days after the date of the notice. ~~The board shall conduct the hearing in the same manner that assessment appeal hearings are conducted.~~ The claimant has a right to be heard at the hearing. **After the hearing, the department shall give the claimant notice of the department's final determination on the claim.**

(d) **If a person desires to initiate an appeal of the final determination of the department of local government finance to disapprove a claim under subsection (c), the person shall file a petition for review with the Indiana board not more than forty-five (45) days after the department gives the person notice of the final determination.**

(e) If a person desires to initiate ~~an appeal~~ **a proceeding for judicial review** of the ~~state board of tax commissioners'~~ **Indiana board's** final determination under ~~this section;~~ **subsection (d),** the person must ~~do all of the following~~ **petition for judicial review under IC 4-21.5-5** not more than forty-five (45) days after the ~~state Indiana board of tax commissioners~~ gives the person notice of the final determination.

(1) ~~File a written notice with the state board of tax commissioners informing the board of the person's intention to appeal.~~

(2) ~~File a complaint in the tax court.~~

(3) ~~Serve the attorney general and the county auditor with a copy of the complaint.~~

SECTION 62. IC 6-1.1-26-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 3. (a) A refund claim which is filed under section 1 of this chapter and which is not subject to review by the ~~state board of tax commissioners~~ **department of local government finance** under section 2 of this chapter shall be either approved or disapproved by the county auditor, the county treasurer, and the county assessor.

(b) If the claim for refund is disapproved by either the county auditor, the county treasurer, or the county assessor, the claimant may appeal that decision to the ~~state Indiana board of tax commissioners.~~ The claimant must initiate the appeal and the ~~state Indiana board~~ shall hear the appeal in the same manner that assessment appeals are initiated and heard **by the Indiana board.**

(c) If a person desires to initiate ~~an appeal~~ **a proceeding for judicial review** of the ~~state board of tax commissioners'~~ **Indiana board's** final determination under this section, the person must ~~do all of the following~~ **petition for judicial review under IC 4-21.5-5** not more

than forty-five (45) days after the ~~state Indiana board of tax commissioners~~ gives the person notice of the final determination.

(1) ~~File a written notice with the state board of tax commissioners informing the board of the person's intention to appeal.~~

(2) ~~File a complaint in the tax court.~~

(3) ~~Serve the attorney general and the county auditor with a copy of the complaint.~~

SECTION 63. IC 6-1.1-26-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 4. (a) A county auditor shall submit a refund claim filed under section 1 of this chapter to the county board of commissioners for final review after the appropriate county officials either approve or disapprove the claim and, if the claim is disapproved, an appeal to the ~~state Indiana board of tax commissioners~~ is not initiated under section 3 of this chapter.

(b) The county board of commissioners shall disallow a refund claim if it was disapproved by one (1) of the appropriate county officials and an appeal to the ~~state Indiana board of tax commissioners~~ was not initiated under section 3 of this chapter.

(c) Except as provided in subsection (b) of this section, the county board of commissioners may either allow or disallow a refund claim which is submitted to it for final review. If the county board disallows a claim, the claimant may appeal that decision to the ~~state Indiana board of tax commissioners~~.

(d) The ~~state Indiana board of tax commissioners~~ shall hear an appeal under subsection (c) in the same manner that assessment appeals are ~~initiated and~~ heard.

(e) If a person desires to initiate ~~an appeal~~ **a proceeding for judicial review** of the ~~state board of tax commissioners' Indiana board's~~ final determination under this section, the person must ~~do all of the following~~ **petition for judicial review under IC 4-21.5-5** not more than forty-five (45) days after the ~~state Indiana board of tax commissioners~~ gives the person notice of the final determination.

(1) ~~File a written notice with the state board of tax commissioners informing the board of the person's intention to appeal.~~

(2) ~~File a complaint in the tax court.~~

(3) ~~Serve the attorney general and the county auditor with a copy of the complaint.~~

SECTION 64. IC 6-1.1-26-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 5. (a) When a claim for refund filed under section 1 of this chapter is allowed either by the county board of commissioners, the ~~state board of tax commissioners,~~ **department of local government finance, the Indiana board,** or the Indiana tax court on appeal, the claimant is entitled to a refund. The amount of the refund shall equal the amount of the claim so allowed plus, **with respect to claims for refund filed after June 30, 2001,** interest at ~~six~~ **four** percent ~~(6%)~~ **(4%)** from the date on which the taxes were paid or payable, whichever is later, to the date of the refund. The county auditor shall, without an appropriation being required, issue a warrant to the claimant payable from the county general fund for the amount due the claimant under this section.

(b) In the June or December settlement and apportionment of taxes, or both the June and December settlement and apportionment of taxes, immediately following a refund made under this section the county auditor shall deduct the amount refunded from the gross tax collections of the taxing units for which the refunded taxes were originally paid and shall pay the amount so deducted into the general fund of the county. However, the county auditor shall make the deductions and payments required by this subsection not later than the December settlement and apportionment.

SECTION 65. IC 6-1.1-28-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. (a) Each county shall have a county property tax assessment board of appeals composed of individuals who are at least eighteen (18) years of age and knowledgeable in the valuation of property. **In addition to the county assessor, only one (1) other individual who is an officer or employee of a county or township may serve on the board of appeals in the county in which the individual is an officer or employee.** The fiscal body of the county shall appoint two (2) individuals to the board. At least one (1) of the members appointed by the county fiscal body must be a certified level two assessor-appraiser. The board of commissioners of the county shall appoint two (2) freehold members so that not more than three (3) of the five (5) members may be of the same political party and so that at least three (3) of the five (5) members are residents of the county. At least one (1) of the members appointed by the board of county commissioners must be a certified level two assessor-appraiser. **However, if the county assessor is a certified level 2 Indiana assessor-appraiser, the board of county commissioners may waive the requirement in this subsection that one (1) of the freehold members appointed by the board of county commissioners must be a certified level 2 Indiana assessor-appraiser.** A person appointed to a property tax assessment board of appeals may ~~not~~ serve on the property tax assessment board of appeals of another county at the same time. The members of the board shall elect a president. The employees of the county assessor shall provide administrative support to the property tax assessment board of appeals. The county assessor is a voting member of the property tax assessment board of appeals. ~~and~~ **The county assessor shall serve as secretary of the board. The secretary shall keep full and accurate minutes of the proceedings of the board. A majority of the board constitutes a quorum for the transaction of business. Any question properly before the board may be decided by the agreement of a majority of the whole board.**

(b) **The county assessor, county fiscal body, and board of county commissioners may agree to waive the requirement in subsection (a) that not more than three (3) of the five (5) members of the county property tax assessment board of appeals may be of the same political party if it is necessary to waive the requirement due to the absence of certified level 2 Indiana assessor-appraisers:**

(1) **who are willing to serve on the board; and**

(2) **whose political party membership status would satisfy the requirement in subsection (c)(1).**

(c) If the board of county commissioners is not able to identify at least two (2) prospective freehold members of the county property tax assessment board of appeals who are:

- (1) residents of the county;
- (2) certified level 2 Indiana assessor-appraisers; and
- (3) willing to serve on the county property tax assessment board of appeals;

it is not necessary that at least three (3) of the five (5) members of the county property tax assessment board of appeals be residents of the county.

SECTION 66. IC 6-1.1-30-1.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: **Sec. 1.1. The department of local government finance is established.**

SECTION 67. IC 6-1.1-30-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 6. The ~~state board of tax commissioners~~ **department of local government finance** shall keep a record of its proceedings and orders. The ~~board's~~ **department of local government finance's** record is a public record. A copy of the appropriate portion of the record is sufficient evidence in all courts or proceedings to prove an action, rule, or order of the ~~board~~ **department of local government finance** if the copy is:

(1) certified by the ~~chairman of the board;~~ **commissioner of the department;** and

(2) attested to by the ~~secretary~~ **deputy commissioner** of the ~~board;~~ **department.**

SECTION 68. IC 6-1.1-30-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 7. The ~~state board of tax commissioners~~ **commissioner** shall appoint an individual to serve as ~~secretary~~ **deputy commissioner** of the ~~board;~~ **department of local government finance.** However, the appointment must be approved by the governor. The ~~secretary may not be a member of the board; and he shall serve at the pleasure of the board;~~ The ~~secretary~~ **deputy commissioner** shall subscribe to an oath to faithfully discharge his duties. ~~The secretary shall perform the duties which are assigned to him~~ **the deputy commissioner** either by law or by ~~order of the board;~~ **commissioner.**

SECTION 69. IC 6-1.1-30-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 8. (a) To properly and efficiently perform its duties, the ~~state board of tax commissioners~~ **department of local government finance** may ~~subject to the limitations contained in section 9 of this chapter;~~ employ assistants, clerks, stenographers, field representatives, and supervisors.

(b) Each ~~member and each~~ employee of the ~~state board of tax commissioners~~ **department of local government finance** shall receive an annual salary to be fixed in the manner prescribed in ~~IC 1971, 4-12-1-13.~~ **IC 4-12-1-13.** In addition, ~~they~~ **each** employee shall receive the same mileage and travel allowances ~~which~~ **that** other state employees receive.

SECTION 70. IC 6-1.1-30-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 10. The ~~state~~

board of tax commissioners commissioner may delegate to a field representative or supervisor the board's powers of the department of local government finance with respect to any duty of the board department. However, if the board wants a field representative or supervisor to serve as a hearing officer, the board shall appoint the field representative or supervisor in the manner prescribed in section 11 of this chapter.

SECTION 71. IC 6-1.1-30-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 12. (a) With respect to a review conducted by a field representative or supervisor under section 10 of this chapter, or a hearing conducted by a hearing officer under section 11 of this chapter, the field representative or supervisor or hearing officer shall submit a written report of his findings of fact and conclusions of law to the state board of tax commissioners: department of local government finance.

(b) Except as provided in IC 6-1.1-15, after reviewing the report, the board department of local government finance may take additional evidence or hold additional hearings.

(c) The board department of local government finance shall base its final decision on the report, any additional evidence taken by the board, department, and any records that the board department considers relevant.

SECTION 72. IC 6-1.1-30-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 13. In order to obtain information which that is necessary to the board's conduct by the department of local government finance of a necessary or proper inquiry, the state board of tax commissioners, a hearing officer in the division of appeals, or a board hearing officer department of local government finance or a department special representative, may:

- (1) subpoena and examine witnesses;
- (2) administer oaths; and
- (3) subpoena and examine books or papers which are in the hands of any person.

SECTION 73. IC 6-1.1-30-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 14. (a) The state board of tax commissioners: department of local government finance:

- (1) shall see that the property taxes due this state are collected;
- (2) shall see that the penalties prescribed under this article are enforced;
- (3) shall investigate the property tax laws and systems of other states and countries; and
- (4) may recommend changes in this state's property tax laws to the general assembly.

(b) The department of local government finance shall see that personal property assessments are correctly and completely reported by annually conducting audits of a sampling of personal property assessment returns throughout the state. Audits under this subsection shall be conducted by department personnel.

SECTION 74. IC 6-1.1-30-14.5 IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 14.5. The ~~state~~
 2 ~~board of tax commissioners department of local government finance~~
 3 shall adopt rules under IC 4-22-2 to limit the basis of payment for
 4 services provided by all professionals, including but not limited to
 5 attorneys, architects, and construction managers, who work on capital
 6 projects, to a fee for service agreement and may not adopt a rule
 7 authorizing the basis of payment for the services to be a percentage of
 8 the cost of the capital project.

9 SECTION 75. IC 6-1.1-31-1 IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 1. (a) The ~~state~~
 11 ~~board of tax commissioners department of local government finance~~
 12 shall do the following:

13 (1) Prescribe the property tax forms and returns which taxpayers
 14 are to complete and on which the taxpayers' assessments will be
 15 based.

16 (2) Prescribe the forms to be used to give taxpayers notice of
 17 assessment actions.

18 (3) Adopt rules concerning the assessment of tangible property.

19 (4) Develop specifications that prescribe state requirements for
 20 computer software and hardware to be used by counties for
 21 assessment purposes. The specifications developed under this
 22 subdivision apply only to computer software and hardware systems
 23 purchased for assessment purposes after July 1, 1993.

24 **(5) Adopt rules establishing criteria for the revocation of a**
 25 **certification under IC 6-1.1-35.5-6.**

26 (b) The ~~state board of tax commissioners department of local~~
 27 ~~government finance~~ may ~~promulgate~~ **adopt** rules ~~which that~~ are
 28 related to **property taxation** or the duties or the procedures of the
 29 ~~board department.~~

30 (c) Rules of the state board of tax commissioners are for all purposes
 31 rules of the department of local government finance and the Indiana
 32 board until the department and the Indiana board adopt rules to repeal
 33 or supersede the rules of the state board of tax commissioners.

34 SECTION 76. IC 6-1.1-31-11 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. **(a) Subject to**
 36 **subsection (b),** the state board of tax commissioners shall adopt rules
 37 under IC 4-22-2 to govern the practice of representatives in
 38 proceedings before the property tax assessment board of appeals and
 39 the state board of tax commissioners. ~~under IC 6-1.1-15.~~

40 **(b) Except as provided in subsection (c), a rule adopted under**
 41 **subsection (a) may not:**

42 **(1) restrict the ability of a representative to practice before the**
 43 **property tax assessment board of appeals or the state board of**
 44 **tax commissioners based on the fact that the representative is**
 45 **not an attorney admitted to the Indiana bar; or**

46 **(2) restrict the admissibility of written or oral testimony of a**
 47 **representative or other witness based upon the manner in**
 48 **which the representative or other witness is compensated.**

49 **(c) A rule adopted under subsection (a) may require a**
 50 **representative in a proceeding before the property tax assessment**
 51 **board of appeals or the state board of tax commissioners to be an**

1 attorney admitted to the Indiana bar if the matter under
2 consideration in the proceeding is:

- 3 (1) an exemption for which an application is required under
- 4 IC 6-1.1-11;
- 5 (2) a claim that taxes are illegal as a matter of law;
- 6 (3) a claim regarding the constitutionality of an assessment; or
- 7 (4) any other matter that requires representation that involves
- 8 the practice of law.

9 (d) This subsection applies to a petition that is filed with the
10 property tax assessment board of appeals or the state board of tax
11 commissioners before the adoption of a rule under subsection (a)
12 that establishes new standards for:

- 13 (1) the presentation of evidence or testimony; or
- 14 (2) the practice of representatives.

15 The property tax assessment board of appeals or the state board of
16 tax commissioners may not dismiss a petition solely for failure to
17 comply with the rule adopted under subsection (a) without
18 providing the petitioner with an opportunity to present evidence,
19 testimony, or representation in compliance with the rule.

20 SECTION 77. IC 6-1.1-31-11.5 IS ADDED TO THE INDIANA
21 CODE AS A NEW SECTION TO READ AS FOLLOWS
22 [EFFECTIVE JANUARY 1, 2002]: Sec. 11.5. (a) Subject to
23 subsection (b), the department of local government finance shall
24 adopt rules under IC 4-22-2 to govern the practice of
25 representatives in proceedings before the property tax assessment
26 board of appeals and the department of local government finance.

27 (b) Except as provided in subsection (c), a rule adopted under
28 subsection (a) may not:

- 29 (1) restrict the ability of a representative to practice before the
- 30 property tax assessment board of appeals or the department of
- 31 local government finance based on the fact that the
- 32 representative is not an attorney admitted to the Indiana bar;
- 33 or
- 34 (2) restrict the admissibility of written or oral testimony of a
- 35 representative or other witness based upon the manner in
- 36 which the representative or other witness is compensated.

37 (c) A rule adopted under subsection (a) may require a
38 representative in a proceeding before the property tax assessment
39 board of appeals or the department of local government finance to
40 be an attorney admitted to the Indiana bar if the matter under
41 consideration in the proceeding is:

- 42 (1) an exemption for which an application is required under
- 43 IC 6-1.1-11;
- 44 (2) a claim that taxes are illegal as a matter of law;
- 45 (3) a claim regarding the constitutionality of an assessment; or
- 46 (4) any other matter that requires representation that involves
- 47 the practice of law.

48 (d) This subsection applies to a petition that is filed with the
49 property tax assessment board of appeals or a matter under
50 consideration by the department of local government finance
51 before the adoption of a rule under subsection (a) that establishes

new standards for:

- (1) the presentation of evidence or testimony; or
- (2) the practice of representatives.

The property tax assessment board of appeals or the department of local government finance may not dismiss a petition or reject consideration of a matter solely for failure to comply with the rule adopted under subsection (a) without providing the petitioner with an opportunity to present evidence, testimony, or representation in compliance with the rule.

SECTION 78. IC 6-1.1-31-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 13. (a) Before February 1, 2002, the governor shall appoint two (2) individuals to participate in the adoption of rules by the department of local government finance as described in subsection (c). The term of each individual is one (1) year. The individuals serve at the pleasure of the governor. The expenses of the individuals shall be paid from the budget of the Indiana department of administration.

(b) The individuals:

- (1) must be familiar with the duties and operations of the department of local government finance;
- (2) are not employees of the department;
- (3) are entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b);
- (4) are entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the individuals' duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency; and
- (5) may not be affiliated with the same political party.

(c) The individuals appointed under this section shall consider all rules proposed by the department of local government finance for adoption. During the period when the department is formulating a rule for adoption, the department shall provide the proposed rule to each individual appointed under this section. Each individual shall review the proposed rule. Before the department of local government finance takes final action to adopt a rule, the commissioner of the department and the individuals appointed under this section shall vote on the adoption. The department may take final action to adopt a rule only if there are at least two (2) affirmative votes for adoption. If the vote results in disapproval of the adoption, the department may not propose for adoption the same rule, or substantially the same rule, until at least one (1) year after the date of the vote. The department must make a written record of the vote under this subsection. The record of the vote is a public record.

(d) The department of local government finance shall:

- (1) provide facilities and support to the individuals appointed under this section for the performance of their duties under this section; and

(2) allow each individual appointed under this section at least two (2) weeks to review a proposed rule before a vote is taken on the proposed rule under subsection (c).

SECTION 79. IC 6-1.1-31.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 3. (a) After December 31, 1998, each county shall maintain a state certified computer system that has the capacity to:

- (1) process and maintain assessment records;
- (2) process and maintain standardized property tax forms;
- (3) process and maintain standardized property assessment notices;
- (4) maintain complete and accurate assessment records for the county; and
- (5) process and compute complete and accurate assessments in accordance with Indiana law.

The county assessor with the recommendation of the township assessors shall select the computer system used by township assessors and the county assessor in the county except in a county with a township assessor elected under IC 36-6-5-1 in every township. In a county with an elected township assessor under IC 36-6-5-1 in every township, the ~~county assessor~~ **elected township assessors** shall select a computer system based on a majority vote of the township assessors in the county.

(b) All information on the computer system shall be readily accessible to:

- (1) township assessors;
- (2) the county assessor;
- (3) the board; ~~and~~
- (4) members of the county property tax assessment board of appeals.

(c) The certified system used by the counties must be compatible with the data export and transmission requirements in a standard format prescribed by the board. The certified system must be maintained in a manner that ensures prompt and accurate transfer of data to the board.

(d) All standardized property forms and notices on the certified computer system shall be maintained by the township assessor and the county assessor in an accessible location and in a format that is easily understandable for use by persons of the county.

SECTION 80. IC 6-1.1-31.5-3.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: **Sec. 3.5. (a) After December 31, 1998, each county shall maintain a state certified computer system that has the capacity to:**

- (1) process and maintain assessment records;**
- (2) process and maintain standardized property tax forms;**
- (3) process and maintain standardized property assessment notices;**
- (4) maintain complete and accurate assessment records for the county; and**
- (5) process and compute complete and accurate assessments in accordance with Indiana law.**

The county assessor with the recommendation of the township

assessors shall select the computer system used by township assessors and the county assessor in the county except in a county with a township assessor elected under IC 36-6-5-1 in every township. In a county with an elected township assessor under IC 36-6-5-1 in every township, the elected township assessors shall select a computer system based on a majority vote of the township assessors in the county.

(b) All information on the computer system shall be readily accessible to:

- (1) township assessors;
- (2) the county assessor;
- (3) the department of local government finance; and
- (4) members of the county property tax assessment board of appeals.

(c) The certified system used by the counties must be compatible with the data export and transmission requirements in a standard format prescribed by the department of local government finance. The certified system must be maintained in a manner that ensures prompt and accurate transfer of data to the department.

(d) All standardized property forms and notices on the certified computer system shall be maintained by the township assessor and the county assessor in an accessible location and in a format that is easily understandable for use by persons of the county.

SECTION 81. IC 6-1.1-33-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 2. The ~~state board of tax commissioners~~ department of local government finance shall select enough employees for the division of tax review to perform the division's duties. ~~The board shall select the employees of the division in the manner prescribed in IC 1971, 6-1.1-30-9.~~ An employee of the division may not be required to engage in political activities as a condition of employment.

SECTION 82. IC 6-1.1-33.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]:

**Chapter 33.5. Department of Local Government Finance
Division of Data Analysis**

Sec. 1. A division of the department of local government finance is established, to be known as the division of data analysis.

Sec. 2. The division of data analysis shall do the following:

- (1) Compile an electronic data base that includes the following:
 - (A) The local government data base.
 - (B) Information on sales of real and personal property, including information from sales disclosure forms filed under IC 6-1.1-5.5.
 - (C) Personal property assessed values and data entries on personal property return forms.
 - (D) Real property assessed values and data entries on real property assessment records.
 - (E) Information on property tax exemptions, deductions, and credits.
 - (F) Any other data relevant to the accurate determination of

real property and personal property tax assessments.

(2) Make available to each county and township software that permits the transfer of the data described in subdivision (1) to the division in a uniform format through a secure connection over the Internet.

(3) Analyze the data compiled under this section for the purpose of performing the functions under section 3 of this chapter.

(4) Conduct continuing studies of personal and real property tax deductions, abateements, and exemptions used throughout Indiana. The division of data analysis shall, before May 1 of each even-numbered year, report on the studies at a meeting of the budget committee and submit a report on the studies to the legislative services agency for distribution to the members of the legislative council.

Sec. 3. The division of data analysis shall:

(1) conduct continuing studies in the areas in which the department of local government finance operates;

(2) make periodic field surveys and audits of tax rolls, plat books, building permits, real estate transfers, gross income tax returns, federal income tax returns, and other data that may be useful in checking property valuations or taxpayer returns;

(3) make test checks of property valuations to serve as the bases for special reassessments under this article;

(4) conduct biennially a coefficient of dispersion study for each township and county in Indiana;

(5) conduct quadrennially a sales assessment ratio study for each township and county in Indiana;

(6) compute school assessment ratios under IC 6-1.1-34; and

(7) report annually to the executive director of the legislative services agency, in a form prescribed by the legislative services agency, the information obtained or determined under this section for use by the executive director and the general assembly, including:

(A) all information obtained by the division of data analysis from units of local government; and

(B) all information included in:

(i) the local government data base; and

(ii) any other data compiled by the division of data analysis.

Sec. 4. To perform its duties, the division of data analysis may do the following:

(1) Request access to any local or state official records.

(2) Secure information from the federal government or from public or private agencies.

(3) Inspect a person's books, records, or property.

(4) Conduct a review of either all or a random sampling of personal or real property assessments.

(5) Employ professional appraisal firms to assist in making test checks of property valuations.

(6) Recommend changes in property tax administration.

(7) Use any other device or technique to equalize tax burdens or to implement this chapter.

Sec. 5. Information that has been provided to the legislative services agency or the division of data analysis by the federal government or by a public agency is subject to the provider's rules, if any, that concern the confidential nature of the information.

Sec. 6. (a) With respect to any township or county for any year, the department of local government finance may initiate a review to determine whether to order a special reassessment under this chapter. The review may apply to real property or personal property, or both.

(b) If the department of local government finance determines under subsection (a) of this chapter to initiate a review with respect to the real property within a township or county, or a portion of the real property within a township or county, the division of data analysis of the department shall determine for the real property under consideration and for the township or county the variance between:

(1) the total assessed valuation of the real property within the township or county; and

(2) the total assessed valuation that would result if the real property within the township or county were valued in the manner provided by law.

(c) If the department of local government finance determines under subsection (a) of this chapter to initiate a review with respect to personal property within a township or county, or a part of the personal property within a township or county, the division of data analysis of the department shall determine for the personal property under consideration and for the township or county the variance between:

(1) the total assessed valuation of the personal property within the township or county; and

(2) the total assessed valuation that would result if the personal property within the township or county were valued in the manner provided by law.

(d) The determination of the department of local government finance under section 2 or 3 of this chapter must be based on a statistically valid assessment ratio study.

(e) If a determination of the department of local government finance to order a special reassessment under this chapter is based on a coefficient of dispersion study, the department shall publish the coefficient of dispersion study for the township or county in accordance with IC 5-3-1-2(j).

(f) If:

(1) the variance determined under subsection (b) or (c) exceeds twenty percent (20%); and

(2) the department of local government finance determines after holding hearings on the matter that a special reassessment should be conducted;

the department shall contract for a special reassessment to be conducted to correct the valuation of the property.

(g) If the variance determined under subsection (b) or (c) is twenty percent (20%) or less, the department of local government finance shall determine whether to correct the valuation of the property under:

(1) IC 6-1.1-4-9 and IC 6-1.1-4-10; or

(2) IC 6-1.1-14.

(h) The department of local government finance shall give notice to a taxpayer, by individual notice or by publication at the discretion of the department, of a hearing concerning the department's intent to cause the assessment of the taxpayer's property to be adjusted under this section. The time fixed for the hearing must be at least ten (10) days after the day the notice is mailed or published. The department may conduct a single hearing under this section with respect to multiple properties. The notice must state:

(1) the time of the hearing;

(2) the location of the hearing; and

(3) that the purpose of the hearing is to hear taxpayers' comments and objections with respect to the department's intent to adjust the assessment of property under this chapter.

(i) If the department of local government finance determines after the hearing that the assessment of property should be adjusted under this chapter, the department shall:

(1) cause the assessment of the property to be adjusted;

(2) mail a certified notice of its final determination to the county auditor of the county in which the property is located; and

(3) notify the taxpayer as required under IC 6-1.1-14.

(j) A reassessment or adjustment may be made under this section only if the notice of the final determination is given to the taxpayer within the same period prescribed in IC 6-1.1-9-3 or IC 6-1.1-9-4.

(k) If the department of local government finance contracts for a special reassessment of property under this chapter, the department shall forward the bill for services of the reassessment contractor to the county auditor, and the county shall pay the bill from the county reassessment fund.

SECTION 83. IC 6-1.1-35.2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 2. (a) In any year in which an assessing official, a county assessor, or a member of a county property tax assessment board of appeals takes office for the first time, the ~~state board of tax commissioners~~ **department of local government finance** shall conduct training sessions determined under the rules adopted by the ~~state board of tax commissioners~~ **department** under IC 4-22-2 for these new officials. These sessions must be held at ~~sufficient convenient~~ **the locations throughout Indiana: described in subsection (b).**

(b) To ensure that all newly elected or appointed assessing officials, assessors, and members of county property tax assessment boards of appeals have an opportunity to attend the training sessions required by this section, the department of local government finance shall conduct the training sessions at a

minimum of four (4) separate regional locations. The department shall determine the locations of the training sessions, but:

- (1) at least one (1) training session must be held in the northeastern part of Indiana;
- (2) at least one (1) training session must be held in the northwestern part of Indiana;
- (3) at least one (1) training session must be held in the southeastern part of Indiana; and
- (4) at least one (1) training session must be held in the southwestern part of Indiana.

The four (4) regional training sessions may not be held in Indianapolis. However, the department of local government finance may, after the conclusion of the four (4) training sessions, provide additional training sessions at locations determined by the department.

(c) Any new assessing official, county assessor, or member of a county property tax assessment board of appeals who attends a required session is entitled to receive the per diem per session set by the ~~state board of tax commissioners~~ department of local government finance by rule adopted under IC 4-22-2 and a mileage allowance from the county in which the official resides.

~~(c)~~ (d) A person is entitled to a mileage allowance under this section only for travel between the person's place of work and the training session nearest to the person's place of work.

SECTION 84. IC 6-1.1-35.2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 3. (a) Each year the ~~state board of tax commissioners~~ department of local government finance shall conduct the continuing education sessions required in the rules adopted by the ~~state board of tax commissioners~~ department for all assessing officials, county assessors, and all members of, and hearing officers for, the county property tax assessment board of appeals. These sessions must be conducted at ~~sufficient convenient~~ the locations ~~throughout Indiana~~: described in subsection (b).

(b) To ensure that all assessing officials, assessors, and members of county property tax assessment boards of appeals have an opportunity to attend the continuing education sessions required by this section, the department of local government finance shall conduct the continuing education sessions at a minimum of four (4) separate regional locations. The department shall determine the locations of the continuing education sessions, but:

- (1) at least one (1) continuing education session must be held in the northeastern part of Indiana;
- (2) at least one (1) continuing education session must be held in the northwestern part of Indiana;
- (3) at least one (1) continuing education session must be held in the southeastern part of Indiana; and
- (4) at least one (1) continuing education session must be held in the southwestern part of Indiana.

The four (4) regional continuing education sessions may not be held in Indianapolis. However, the department of local government finance may, after the conclusion of the four (4) continuing

1 **education sessions, provide additional continuing education**
 2 **sessions at locations determined by the department.**

3 (c) Any assessing official, county assessor, or member of, and
 4 hearing officers for, the county property tax assessment board of
 5 appeals who attends required sessions is entitled to receive a mileage
 6 allowance and the per diem per session set by the ~~state board of tax~~
 7 ~~commissioners~~ **department of local government finance** by rule
 8 adopted under IC 4-22-2 from the county in which the official resides.
 9 A person is entitled to a mileage allowance under this section only for
 10 travel between the person's place of work and the training session
 11 nearest to the person's place of work.

12 SECTION 85. IC 6-1.1-35.2-4 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 4. The training
 14 programs prescribed by this chapter must be designed so that the
 15 attendees at a program are prepared to train their subordinates. **In**
 16 **addition, the training programs must include:**

17 (1) **a course on basic assessment administration with an**
 18 **examination; and**

19 (2) **the information necessary to obtain a level one certification**
 20 **under rules adopted by the department of local government**
 21 **finance.**

22 SECTION 86. IC 6-1.1-35.5-4 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 4. (a) The level
 24 one examination shall be given in ~~the month of~~ July, and the level two
 25 examination shall be given in ~~the month of~~ August. Both level
 26 examinations also shall be offered annually immediately following the
 27 conference of ~~state board of tax commissioners~~ **department of local**
 28 **government finance** and at any other times that coordinate with
 29 ~~applicable courses of instruction.~~ **training sessions conducted under**
 30 **IC 6-1.1-35.2-2.** The ~~state board of tax commissioners~~ **department of**
 31 **local government finance** may also give either or both examinations
 32 at other times throughout the year.

33 (b) Examinations shall be held **each year, at the times prescribed**
 34 **in subsection (a), in Indianapolis at a location and at not less than**
 35 **four (4) other convenient locations** chosen by the ~~state board of tax~~
 36 ~~commissioners.~~ **department of local government finance.**

37 (c) **The department of local government finance may not limit the**
 38 **number of individuals who take the examination and shall provide**
 39 **an opportunity for all enrollees at each session to take the**
 40 **examination at that session.**

41 SECTION 87. IC 6-1.1-35.5-6 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 6. (a) The ~~state~~
 43 ~~board of tax commissioners~~ **department of local government finance**
 44 shall certify all persons who successfully perform **on** an examination
 45 under this chapter and shall furnish ~~them~~ **each successful examinee**
 46 with a certificate that prominently displays the name of the successful
 47 examinee and the fact that ~~he~~ **the person** is a level one or level two
 48 certified Indiana assessor-appraiser.

49 (b) **The department of local government finance shall revoke the**
 50 **certification of an individual if the department reasonably**
 51 **determines that the individual committed fraud or**

misrepresentation with respect to the preparation, administration, or taking of the examination. The department of local government finance shall give notice and hold a hearing to consider all of the evidence about the fraud or misrepresentation before deciding whether to revoke the individual's certification.

SECTION 88. IC 6-1.1-35.5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 8. The state board of tax commissioners may adopt rules under IC 4-22-2 to implement this chapter. The state board of tax commissioners shall adopt rules to set:

- (1) minimum ~~training~~ requirements for **initial** certification after December 31, 1998, under this chapter;
- (2) continuing education requirements for the renewal of a certification after December 31, 1998, under this chapter; and
- (3) procedures for renewing a certification issued under this chapter, including a certification issued before January 1, 1999, for a person who meets the certification ~~requires~~ **requirements** set under subdivision (2).

The rules must also establish procedures for disciplinary action against a certificate holder that fails to comply with the statutes or rules applicable to the certificate holder. **The rules adopted under subdivisions (2) and (3) may not require testing to renew or maintain a certification under this chapter.**

SECTION 89. IC 6-1.1-35.5-8.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: **Sec. 8.5. The department of local government finance may adopt rules under IC 4-22-2 to implement this chapter. The department of local government finance shall adopt rules to set:**

- (1) minimum requirements for initial certification after December 31, 2001, under this chapter;**
- (2) continuing education requirements for the renewal of a certification after December 31, 2001, under this chapter; and**
- (3) procedures for renewing a certification issued under this chapter, including a certification issued before January 1, 1999, for a person who meets the certification requirements set under subdivision (2).**

The rules must also establish procedures for disciplinary action against a certificate holder that fails to comply with the statutes or rules applicable to the certificate holder. The rules adopted under subdivisions (2) and (3) may not require testing to renew or maintain a certification under this chapter.

SECTION 90. IC 6-1.1-36-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 5. In order to discharge their official duties, the following officials may administer oaths and affirmations:

- (1) Assessing officials.
- (2) County assessors.
- (3) County auditors.
- (4) Members of a county property tax assessment board of appeals.
- ~~(5) Members of the state board of tax commissioners.~~
- (5) Members of the Indiana board.**

SECTION 91. IC 6-1.1-37-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 1. An officer of state or local government who recklessly violates or fails to perform a duty imposed on him under:

- (1) IC 6-1.1-10-1(b);
- (2) IC 6-1.1-12-6;
- (3) IC 6-1.1-12-7;
- (4) IC 6-1.1-12-8;
- (5) IC 6-1.1-17-1;
- (6) IC 6-1.1-17-3(a);
- (7) IC 6-1.1-17-5(d)(1);
- (8) IC 6-1.1-18-1;
- (9) IC 6-1.1-18-5;
- (10) IC 6-1.1-18-6;
- (11) IC 6-1.1-20-5;
- (12) IC 6-1.1-20-6;
- (13) IC 6-1.1-20-7;
- ~~(14) IC 6-1.1-30-5;~~
- ~~(15)~~ **(14)** IC 6-1.1-30-14; or
- ~~(16)~~ **(15)** IC 6-1.1-36-13;

commits a Class A misdemeanor. In addition, the officer is liable for the damages sustained by a person as a result of the officer's violation of the provision or the officer's failure to perform the duty.

SECTION 92. IC 6-1.1-37-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 9. (a) This section applies when:

- (1) an assessment is made or increased after the date or dates on which the taxes for the year for which the assessment is made were originally due;
- (2) the assessment upon which a taxpayer has been paying taxes under IC 6-1.1-15-10(a)(1) or (a)(2) while a petition for review or ~~an appeal~~ **a judicial proceeding** has been pending is less than the assessment that results from the final determination of the petition for review or ~~appeal~~ **judicial proceeding**; or
- (3) the collection of certain ad valorem property taxes has been ~~enjoined~~ **stayed** under ~~IC 33-3-5-11~~ **IC 4-21.5-5-9**, and under the final determination of the ~~appeal~~ **petition for judicial review** the taxpayer is liable for at least part of those taxes.

(b) **Except as provided in subsections (c) and (g), a taxpayer shall pay interest on the taxes the taxpayer is required to pay as a result of an action or a determination described in subsection (a) at the rate of ten percent (10%) per year from the original due date or dates for those taxes to:**

- (1) the date of payment; or**
 - (2) the date on which penalties for the late payment of a tax installment may be charged under subsection (e) or (f);**
- whichever occurs first.**

(c) Except as provided in ~~subsection (f)~~ **subsection (g)**, a taxpayer shall pay interest on the taxes the taxpayer is **ultimately** required to pay ~~as a result of an action or determination described in subsection (a)~~ **in excess of the amount that the taxpayer is required to pay under**

1 **IC 6-1.1-15-10(a)(1) while a petition for review or a judicial**
 2 **proceeding has been pending at the overpayment rate of ten percent**
 3 **(+10%) per year established under Section 6621(c)(1) of the Internal**
 4 **Revenue Code in effect on the original due date or dates for those**
 5 **taxes from the original due date or dates for those taxes to:**

6 (1) the date of payment; or

7 (2) the date on which penalties for the late payment of a tax
 8 installment may be charged under ~~subsection (d) or (e);~~ **subsection**
 9 **(e) or (f);**

10 whichever occurs first.

11 ~~(c)~~ **(d)** With respect to an action or determination described in
 12 subsection (a), the taxpayer shall pay the taxes resulting from that
 13 action or determination and the interest prescribed under ~~subsection (b)~~
 14 **subsection (b) or (c)** on or before:

15 (1) the next May 10; or

16 (2) the next November 10;

17 whichever occurs first.

18 ~~(d)~~ **(e)** A taxpayer shall begin paying the penalty prescribed in
 19 section 10 of this chapter on the day after the date for payment
 20 prescribed in ~~subsection (c)~~ **subsection (d)** if:

21 (1) ~~he the taxpayer~~ has not paid the amount of taxes resulting
 22 from the action or determination; and

23 (2) ~~he the taxpayer~~ either:

24 (A) received notice of the taxes ~~he the taxpayer~~ is required to
 25 pay as a result of the action or determination at least thirty (30)
 26 days before the date for payment; or

27 (B) voluntarily signed and filed an assessment return for the
 28 taxes.

29 ~~(c)~~ **(f)** If ~~subsection (d)~~ **subsection (e)** does not apply, a taxpayer who
 30 has not paid the amount of taxes resulting from the action or
 31 determination shall begin paying the penalty prescribed in section 10
 32 of this chapter on:

33 (1) the next May 10 which follows the date for payment prescribed
 34 in ~~subsection (c);~~ **subsection (d);** or

35 (2) the next November 10 which follows the date for payment
 36 prescribed in ~~subsection (c);~~ **subsection (d);**

37 whichever occurs first.

38 ~~(f)~~ **(g)** A taxpayer is not subject to the payment of interest on real
 39 property assessments under subsection (b) **or (c)** if:

40 (1) an assessment is made or increased after the date or dates on
 41 which the taxes for the year for which the assessment is made were
 42 due;

43 (2) the assessment or the assessment increase is made as the result
 44 of error or neglect by the assessor or by any other official involved
 45 with the assessment of property or the collection of property taxes;
 46 and

47 (3) the assessment:

48 (A) would have been made on the normal assessment date if the
 49 error or neglect had not occurred; or

50 (B) increase would have been included in the assessment on the

normal annual assessment date if the error or neglect had not occurred.

SECTION 93. IC 6-1.1-37-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 11. (a) If a taxpayer is entitled to a property tax refund or credit because an assessment is decreased, the taxpayer shall also be paid, or credited with, interest on the excess taxes that he paid at the rate of ~~six~~ **four** percent ~~(6%)~~ **(4%)** per annum.

(b) For purposes of this section **and except as provided in subsection (c)**, the interest shall be computed from the date on which the taxes were paid or due, whichever is later, to the date of the refund or credit.

(c) **This subsection applies if a taxpayer who is entitled to a refund or credit does not make a written request for the refund or credit to the county auditor within forty-five (45) days after the final determination of the county property tax assessment board of appeals, the state board of tax commissioners, the department of local government finance, the Indiana board, or the tax court that entitles the taxpayer to the refund or credit. In the case of a taxpayer described in this subsection, the interest shall be computed from the date on which the taxes were paid or due to the date that is forty-five (45) days after the final determination of the county property tax assessment board of appeals, the state board of tax commissioners, the department of local government finance, the Indiana board of tax review, or the Indiana tax court. In any event, a property tax refund or credit must be issued not later than ninety (90) days after the request is received.**

SECTION 94. IC 6-1.1-40-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 11. (a) A person that desires to obtain the deduction provided by section 10 of this chapter must file a certified deduction application, on forms prescribed by the ~~state board of tax commissioners, department of local government finance~~, with:

- (1) the auditor of the county in which the new manufacturing equipment and inventory is located; and
- (2) ~~the state board of tax commissioners, department of local government finance.~~

A person that timely files a personal property return under IC 6-1.1-3-7(a) for the year in which the new manufacturing equipment is installed or the inventory is subject to assessment must file the application between March 1 and May 15 of that year. ~~A person that obtains a filing extension under IC 6-1.1-3-7(b) for the year in which the new manufacturing equipment is installed or the inventory is subject to assessment must file the application between March 1 and June 14 of that year.~~

(b) The application required by this section must contain the following information:

- (1) The name of the owner of the new manufacturing equipment and inventory.
- (2) A description of the new manufacturing equipment and inventory.

(3) Proof of the date the new manufacturing equipment was installed.

(4) The amount of the deduction claimed for the first year of the deduction.

(c) A deduction application must be filed under this section in the year in which the new manufacturing equipment is installed or the inventory is subject to assessment and in each of the immediately succeeding nine (9) years.

(d) The ~~state board of tax commissioners department of local government finance~~ shall review and verify the correctness of each application and shall notify the county auditor of the county in which the property is located that the application is approved or denied or that the amount of the deduction is altered. Upon notification of approval of the application or of alteration of the amount of the deduction, the county auditor shall make the deduction.

(e) If the ownership of new manufacturing equipment changes, the deduction provided under section 10 of this chapter continues to apply to that equipment if the new owner:

(1) continues to use the equipment in compliance with any standards established under section 7(c) of this chapter; and

(2) files the applications required by this section.

(f) The amount of the deduction is:

(1) the percentage under section 10 of this chapter that would have applied if the ownership of the property had not changed; multiplied by

(2) the assessed value of the equipment for the year the deduction is claimed by the new owner.

SECTION 95. IC 6-1.5 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]:

ARTICLE 1.5. INDIANA BOARD OF TAX REVIEW

Chapter 1. Definitions

Sec. 1. The definitions in IC 6-1.1-1 apply throughout this article.

Sec. 2. "Major political party" has the meaning set forth in IC 3-5-2-30.

Sec. 3. "Indiana board" refers to the Indiana board of tax review established under this article.

Chapter 2. Establishment of Board

Sec. 1. (a) A state agency to be known as the Indiana board of tax review is established. The Indiana board is composed of three (3) lay members. The governor shall appoint the members of the Indiana board. The members of the Indiana board shall elect the chairperson of the board.

(b) Two (2) members of the Indiana board must be members of one (1) major political party, and one (1) member of the board must be a member of the other major political party.

(c) Except as provided in subsections (d) and (e), the term of office of an Indiana board member is four (4) years.

(d) The initial terms of office of the Indiana board are as follows:

(1) For one (1) board member, one (1) year.

(2) For one (1) board member, two (2) years.

(3) For one (1) board member, three (3) years.

(e) An Indiana board member appointed to fill a vacancy shall serve for the unexpired term of the member's predecessor.

(f) Any two (2) members of the Indiana board constitute a quorum for the transaction of business. Action may be taken by the Indiana board only upon the vote of a majority of the whole board.

Sec. 2. (a) Before performing any official duties, each lay member of the Indiana board shall execute:

(1) a surety bond in the amount of ten thousand dollars (\$10,000), with a surety approved by the governor; and

(2) an oath of office.

(b) The surety bond shall be payable to the state and shall be conditioned on the faithful discharge of the Indiana board member's duties. The executed surety bond and oath of office shall be filed in the office of the secretary of state.

Sec. 3. After a hearing on the matter, the governor may remove a member of the Indiana board for incompetency, neglect, or inefficiency.

Sec. 4. The Indiana board shall meet in continuous session throughout each calendar year in quarters provided by the state in the city of Indianapolis. The state shall provide the Indiana board with the supplies and printing that the board needs to transact business.

Sec. 5. The Indiana board shall keep a record of its proceedings and orders. The Indiana board's record is a public record. A copy of the appropriate portion of the record is sufficient evidence in all courts or proceedings to prove an action, a rule, or an order of the Indiana board if the copy is certified by a lay member of the board.

Chapter 3. Employees

Sec. 1. (a) To properly and efficiently perform its duties, the Indiana board may, subject to the limitations in subsection (c), hire employees under this section.

(b) Each member and each employee of the Indiana board shall receive:

(1) an annual salary to be fixed in the manner prescribed in IC 4-12-1-13; and

(2) the same mileage and travel allowances that other state employees receive.

Sec. 2. The Indiana board may delegate to an employee the board's powers with respect to any duty of the board.

Sec. 3. (a) The Indiana board may, by written order, appoint administrative law judges.

(b) An administrative law judge may conduct any hearing that the Indiana board is required by law to hold. In the written order by which the Indiana board appoints an administrative law judge, the board shall prescribe the duties of the position. The Indiana board may have different administrative law judges simultaneously conduct numerous hearings.

Chapter 4. Appeals of Determinations by Assessing Officials

Sec. 1. (a) The Indiana board shall conduct an impartial review of all appeals concerning:

1 (1) the assessed valuation of tangible property;
 2 (2) property tax deductions;
 3 (3) property tax exemptions; or
 4 (4) property tax credits;
 5 that are made from a determination by an assessing official or a
 6 county property tax assessment board of appeals to the Indiana
 7 board under any law.

8 (b) Appeals described in this section shall be conducted under
 9 IC 6-1.1-15.

10 **Chapter 5. Appeals of Final Determinations by the Department**
 11 **of Local Government Finance**

12 **Sec. 1. (a) The Indiana board shall conduct impartial review of**
 13 **all appeals of final determinations of the department of local**
 14 **government finance made under the following:**

- 15 (1) IC 6-1.1-8.
- 16 (2) IC 6-1.1-12.1.
- 17 (3) IC 6-1.1-14.
- 18 (4) IC 6-1.1-16.
- 19 (5) IC 6-1.1-26-2.

20 (b) Each notice of final determination issued by the department
 21 of local government finance under a statute listed in subsection (a)
 22 must give the taxpayer notice of:

- 23 (1) the opportunity for review under this section; and
- 24 (2) the procedures the taxpayer must follow in order to obtain
 25 review under this section.

26 (c) In order to obtain a review by the Indiana board under this
 27 section, the taxpayer must file a petition for review with the
 28 appropriate county assessor within forty-five (45) days after the
 29 notice of the department of local government finance's action is
 30 given to the taxpayer.

31 (d) The county assessor shall transmit the petition for review to
 32 the Indiana board within ten (10) days after it is filed.

33 **Sec. 2. (a) After receiving a petition for review that is filed under**
 34 **a statute listed in section 1(a) of this chapter, the Indiana board**
 35 **shall, at its earliest opportunity:**

- 36 (1) conduct a hearing; or
- 37 (2) cause a hearing to be conducted by an administrative law
 38 judge.

39 The Indiana board may determine to conduct the hearing under
 40 subdivision (1) on its own motion or on request of a party to the
 41 appeal.

42 (b) In its resolution of a petition, the Indiana board may correct
 43 any errors that may have been made, and adjust the assessment in
 44 accordance with the correction.

45 (c) The Indiana board shall give notice of the date fixed for the
 46 hearing, by mail, to:

- 47 (1) the taxpayer;
- 48 (2) the department of local government finance; and
- 49 (3) the appropriate:
 - 50 (A) township assessor;
 - 51 (B) county assessor; and

1 (C) county auditor.

2 (d) The Indiana board shall give the notices required under
3 subsection (c) at least thirty (30) days before the day fixed for the
4 hearing.

5 Sec. 3. The Indiana board shall prescribe a form for use in
6 processing petitions for review of actions by the department of
7 local government finance. The Indiana board shall issue
8 instructions for completion of the form.

9 Sec. 4. (a) An administrative law judge who conducts a hearing
10 shall submit a written report of findings of fact and conclusions of
11 law to the Indiana board.

12 (b) After reviewing the report of the administrative law judge,
13 the Indiana board may take additional evidence or hold additional
14 hearings.

15 (c) The Indiana board shall base its final determination on:

16 (1) the:

17 (A) report of the administrative law judge; or

18 (B) evidence received at a hearing conducted by the Indiana
19 board;

20 (2) any additional evidence taken by the Indiana board; and

21 (3) any records that the Indiana board considers relevant.

22 Sec. 5. After the hearing, the Indiana board shall give the
23 petitioner, the township assessor, the county assessor, the county
24 auditor, and the department of local government finance:

25 (1) notice, by mail, of its final determination, findings of fact,
26 and conclusions of law; and

27 (2) notice of the procedures the petitioner or the department of
28 local government finance must follow in order to obtain court
29 review of the final determination of the Indiana board.

30 Sec. 6. (a) The Indiana board shall conduct a hearing or cause a
31 hearing to be conducted within six (6) months after a petition in
32 proper form is filed with the Indiana board, excluding any time
33 due to a delay reasonably caused by the petitioner.

34 (b) The Indiana board shall make a final determination within
35 the later of forty-five (45) days after the hearing or the date set in
36 an extension order issued by the Indiana board. However, the
37 Indiana board may not extend the final determination date by
38 more than one hundred eighty (180) days.

39 (c) The failure of the Indiana board to make a final
40 determination within the time allowed by this section shall be
41 treated as a final determination of the Indiana board to deny the
42 petition.

43 Sec. 7. A final determination of the Indiana board is subject to
44 judicial review under IC 6-1.1-15. The:

45 (1) local government official who made the original
46 determination under judicial review; and

47 (2) department of local government finance;
48 are parties to a judicial review initiated under this section.

49 Sec. 8. (a) IC 6-1.1-15, as in effect before January 1, 2002, applies
50 to an appeal of a final determination of the state board of tax
51 commissioners issued before January 1, 2002.

(b) The department of local government finance is substituted for the state board of tax commissioners in an appeal described in subsection (a).

Sec. 9. In order to obtain information that is necessary to the Indiana board's conduct of a necessary or proper inquiry, the Indiana board or a board administrative law judge may:

- (1) subpoena and examine witnesses;
- (2) administer oaths; and
- (3) subpoena and examine books or papers that are in the hands of any person.

Sec. 10. (a) The Indiana board may file an affidavit with a circuit court of this state if:

- (1) the Indiana board has requested that a person give information or produce books or records; and
- (2) the person has not complied with the request.

(b) An affidavit filed under subsection (a) must state that the person has not complied with the request of the Indiana board to give information or produce books or records.

(c) When an affidavit is filed under subsection (a), the circuit court shall issue a writ that directs the person to appear at the office of the Indiana board and to give the requested information or produce the requested books or records. The appropriate county sheriff shall serve the writ. Disobedience of the writ is punishable as a contempt of the court that issued the writ.

(d) If a writ is issued under this section, the cost incurred in filing the affidavit, in the issuance of the writ, and in the service of the writ shall be charged to the person against whom the writ is issued. If a writ is not issued, all costs shall be charged to the county in which the circuit court proceedings are held, and the board of commissioners of that county shall allow a claim for the costs.

Chapter 6. Adoption of Rules

Sec. 1. (a) Subject to subsection (b), the Indiana board shall adopt rules under IC 4-22-2 to govern the practice of representatives in proceedings before the Indiana board under this article.

(b) Except as provided in subsection (c), a rule adopted under subsection (a) may not:

- (1) restrict the ability of a representative to practice before the Indiana board based on the fact that the representative is not an attorney admitted to the Indiana bar; or
- (2) restrict the admissibility of the written or oral testimony of a representative or other witness before the Indiana board based upon the manner in which the representative or other witness is compensated.

(c) A rule adopted under subsection (a) may require a representative in a proceeding before the Indiana board to be an attorney admitted to the Indiana bar if the matter under consideration in the proceeding is:

- (1) an exemption for which an application is required under IC 6-1.1-11;
- (2) a claim that taxes are illegal as a matter of law;

- (3) a claim regarding the constitutionality of an assessment; or
 (4) any other matter that requires representation that involves the practice of law.

(d) This subsection applies to a petition that is filed with the Indiana board before the adoption of a rule under subsection (a) that establishes new standards for:

- (1) the presentation of evidence or testimony; or
 (2) the practice of representatives.

The Indiana board may not dismiss the petition solely for failure to comply with the rule adopted under subsection (a) without providing the petitioner an opportunity to present evidence, testimony, or representation in compliance with the rule.

SECTION 96. IC 14-23-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2001 (RETROACTIVE)]: Sec. 3. Annually there shall be levied and collected as other state taxes are levied and collected the amount of ~~six and one-half (6 1/2) mills~~ **twenty-two hundredths of one cent (\$0.0022)** upon each one hundred dollars (\$100) worth of taxable property in Indiana. The money collected **resulting from two hundred sixteen thousandths of one cent (\$0.00216)** of the rate shall be paid into the fund. **The money collected resulting from four hundredths of one cent (\$0.0004) is appropriated to the budget agency for purposes of department of local government finance data base management.**

SECTION 97. IC 15-1.5-8-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2001 (RETROACTIVE)]: Sec. 1. A tax is imposed upon all the taxable property in the state at a rate of ~~one hundred seventeen-thousandths of a cent (\$0.00117)~~ **eleven hundredths of a cent (\$0.0011)** for each one hundred dollars (\$100) of assessed valuation.

SECTION 98. IC 33-3-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 2. (a) The tax court is a court of limited jurisdiction. The tax court has exclusive jurisdiction over any case that arises under the tax laws of this state and that is an initial appeal of a final determination made by:

- (1) the department of state revenue with respect to a listed tax (as defined in IC 6-8.1-1-1); or
 (2) the ~~state~~ **Indiana** board of tax ~~commissioners~~ **review**.

(b) The tax court also has:

- (1) any other jurisdiction conferred by statute; **and**
 (2) **exclusive jurisdiction over any case that was an initial appeal of a final determination made by the state board of tax commissioners before January 1, 2002.**

(c) The cases over which the tax court has exclusive original jurisdiction are referred to as original tax appeals in this chapter. The tax court does not have jurisdiction over a case unless:

- (1) the case is an original tax appeal; or
 (2) the tax court has otherwise been specifically assigned jurisdiction by statute.

(d) A taxpayer that appeals to the tax court shall, at the time the appeal is filed, elect to have all evidentiary hearings in the appeal conducted in one (1) of the following counties:

- (1) Allen County.
- (2) Jefferson County.
- (3) Lake County.
- (4) Marion County.
- (5) St. Joseph County.
- (6) Vanderburgh County.
- (7) Vigo County.

(e) A taxpayer that is an appellee in an appeal to the tax court shall, within thirty (30) days after it receives notice of the appeal, elect to have all evidentiary hearings in the appeal conducted in a county listed in subsection (d).

(f) The tax court does not have jurisdiction over a case that is an appeal from a final determination made by the department of state revenue under IC 4-32 other than a final determination concerning the gaming card excise tax established under IC 4-32-15.

SECTION 99. IC 33-3-5-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 14. **(a) Subject to subsection (b),** with respect to determinations as to whether any issues or evidence may be heard in an original tax appeal that was not heard in the administrative hearing or proceeding, the tax court is governed by the law that applied before the creation of the tax court to appeals to trial courts of final determinations made by the department of state revenue and the state board of tax commissioners.

(b) Judicial review of disputed issues of fact must be confined to:

- (1) the record of the proceeding before the Indiana board of tax review; and**
- (2) any additional evidence taken under section 14.5 of this chapter.**

The tax court may not try the cause de novo or substitute its judgment for that of the Indiana board of tax review. Judicial review is limited to only those issues raised before the Indiana board of tax review, or otherwise described by the Indiana board of tax review, in its final determination.

(c) A person may obtain judicial review of an issue that was not raised before the Indiana board of tax review only to the extent that the:

- (1) issue concerns whether a person who was required to be notified of the commencement of a proceeding under this chapter was notified in substantial compliance with the applicable law; or**
- (2) interests of justice would be served by judicial resolution of an issue arising from a change in controlling law occurring after the Indiana board of tax review's action.**

SECTION 100. IC 33-3-5-14.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 14.2. **(a) The office of the attorney general shall represent a township assessor, county assessor, county auditor, member of a county property tax assessment board of appeals, or county property tax assessment board of appeals that:**

- (1) made an original determination that is the subject of a**

1 judicial proceeding in the tax court; and

2 (2) is a defendant in a judicial proceeding in the tax court.

3 (b) Notwithstanding representation by the office of the attorney
4 general, the duty of discovery is on the parties to the judicial
5 proceeding.

6 (c) Discovery conducted under subsection (b) shall be limited to
7 production of documents from the administrative law judge
8 presiding over the review under IC 6-1.1-15-3. The administrative
9 law judge shall not be summoned to testify before the tax court
10 unless verified proof is offered to the tax court that the impartiality
11 of the administrative law judge was compromised concerning the
12 review.

13 (d) A township assessor, county assessor, county auditor,
14 member of a county property tax assessment board of appeals, or
15 county property tax assessment board of appeals may seek relief
16 from the tax court to establish that the Indiana board of tax review
17 rendered a decision that was:

18 (1) an abuse of discretion;

19 (2) arbitrary and capricious;

20 (3) contrary to substantial or reliable evidence; or

21 (4) contrary to law.

22 SECTION 101. IC 33-3-5-14.5 IS ADDED TO THE INDIANA
23 CODE AS A NEW SECTION TO READ AS FOLLOWS
24 [EFFECTIVE JANUARY 1, 2002]: Sec. 14.5. (a) This section applies
25 instead of IC 4-21.5-5-12 with respect to judicial review of final
26 determinations of the Indiana board of tax review.

27 (b) The tax court may receive evidence in addition to that
28 contained in the record of the determination of the Indiana board
29 of tax review only if the evidence relates to the validity of the
30 determination at the time it was taken and is needed to decide
31 disputed issues regarding one (1) or both of the following:

32 (1) Improper constitution as a decision making body or
33 grounds for disqualification of those taking the agency action.

34 (2) Unlawfulness of procedure or decision making process.

35 This subsection applies only if the additional evidence could not, by
36 due diligence, have been discovered and raised in the
37 administrative proceeding giving rise to a proceeding for judicial
38 review.

39 (c) The tax court may remand a matter to the Indiana board of
40 tax review before final disposition of a petition for review with
41 directions that the Indiana board of tax review conduct further
42 factfinding or that the Indiana board of tax review prepare an
43 adequate record, if:

44 (1) the Indiana board of tax review failed to prepare or
45 preserve an adequate record;

46 (2) the Indiana board of tax review improperly excluded or
47 omitted evidence from the record; or

48 (3) a relevant law changed after the action of the Indiana
49 board of tax review and the tax court determines that the new
50 provision of law may control the outcome.

51 (d) This subsection applies if the record for a judicial review

1 prepared under IC 6-1.1-15-6 contains an inadequate record of a
 2 site inspection. Rather than remand a matter under subsection (c),
 3 the tax court may take additional evidence not contained in the
 4 record relating only to observations and other evidence collected
 5 during a site inspection conducted by a hearing officer or other
 6 employee of the Indiana board of tax review. The evidence may
 7 include the testimony of a hearing officer only for purposes of
 8 verifying or rebutting evidence regarding the site inspection that
 9 is already contained in the record.

10 SECTION 102. IC 33-3-5-14.7 IS ADDED TO THE INDIANA
 11 CODE AS A NEW SECTION TO READ AS FOLLOWS
 12 [EFFECTIVE JULY 1, 2001]: Sec. 14.7. (a) The burden of
 13 demonstrating the invalidity of an action taken by the state board
 14 of tax commissioners is on the party to the judicial review
 15 proceeding asserting the invalidity.

16 (b) The validity of an action taken by the state board of tax
 17 commissioners shall be determined in accordance with the
 18 standards of review provided in this section as applied to the
 19 agency action at the time it was taken.

20 (c) The tax court shall make findings of fact on each material
 21 issue on which the court's decision is based.

22 (d) The tax court shall grant relief under section 15 of this
 23 chapter only if the tax court determines that a person seeking
 24 judicial relief has been prejudiced by an action of the state board
 25 of tax commissioners that is:

- 26 (1) arbitrary, capricious, an abuse of discretion, or otherwise
 27 not in accordance with law;
- 28 (2) contrary to constitutional right, power, privilege, or
 29 immunity;
- 30 (3) in excess of or short of statutory jurisdiction, authority, or
 31 limitations;
- 32 (4) without observance of procedure required by law; or
- 33 (5) unsupported by substantial or reliable evidence.

34 (e) Subsection (d) shall not be construed to change the
 35 substantive precedential law embodied in judicial decisions that
 36 are final as of January 1, 2002.

37 SECTION 103. IC 33-3-5-14.8 IS ADDED TO THE INDIANA
 38 CODE AS A NEW SECTION TO READ AS FOLLOWS
 39 [EFFECTIVE JANUARY 1, 2002]: Sec. 14.8. (a) This section applies
 40 instead of IC 4-21.5-5-14 with respect to judicial review of final
 41 determinations of the Indiana board of tax review.

42 (b) The burden of demonstrating the invalidity of an action taken
 43 by the Indiana board of tax review is on the party to the judicial
 44 review proceeding asserting the invalidity.

45 (c) The validity of an action taken by the Indiana board of tax
 46 review shall be determined in accordance with the standards of
 47 review provided in this section as applied to the agency action at
 48 the time it was taken.

49 (d) The tax court shall make findings of fact on each material
 50 issue on which the court's decision is based.

51 (e) The tax court shall grant relief under section 15 of this

chapter only if the tax court determines that a person seeking judicial relief has been prejudiced by an action of the Indiana board of tax review that is:

- (1) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;
- (2) contrary to constitutional right, power, privilege, or immunity;
- (3) in excess of statutory jurisdiction, authority, or limitations, or short of statutory jurisdiction, authority, or limitations;
- (4) without observance of procedure required by law; or
- (5) unsupported by substantial or reliable evidence.

(f) Subsection (e) shall not be construed to change the substantive precedential law embodied in judicial decisions that are final as of January 1, 2002.

SECTION 104. IC 36-2-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The county fiscal body shall fix the compensation of officers, deputies, and other employees whose compensation is payable from the county general fund, county highway fund, county health fund, county park and recreation fund, aviation fund, or any other fund from which the county auditor issues warrants for compensation. This includes the power to:

- (1) fix the number of officers, deputies, and other employees;
- (2) describe and classify positions and services;
- (3) adopt schedules of compensation; and
- (4) hire or contract with persons to assist in the development of schedules of compensation.

(b) **The county fiscal body shall fix the annual compensation of a county assessor who has attained a level two certification under IC 6-1.1-35.5 at an amount that is one thousand dollars (\$1,000) more than the annual compensation of an assessor who has not attained a level two certification. The county fiscal body shall fix the annual compensation of a county or township deputy assessor who has attained a level two certification under IC 6-1.1-35.5 at an amount that is five hundred dollars (\$500) more than the annual compensation of a county or township deputy assessor who has not attained a level two certification.**

(c) Notwithstanding subsection (a), the board of each local health department shall prescribe the duties of all its officers and employees, recommend the number of positions, describe and classify positions and services, adopt schedules of compensation, and hire and contract with persons to assist in the development of schedules of compensation.

~~(c)~~ (d) This section does not apply to community corrections programs (as defined in IC 11-12-1-1 and IC 35-38-2.6-2).

SECTION 105. IC 36-2-7-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 13. The county fiscal body may grant to the county assessor, in addition to the compensation fixed under IC 36-2-5, a per diem for each day that the assessor is engaged in general reassessment activities, **including service on the county land valuation commission.** This section applies regardless of whether professional assessing services are provided under a contract

to one (1) or more townships in the county.

SECTION 106. IC 36-6-8-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 5. (a) When performing the real property reassessment duties prescribed by IC 6-1.1-4, ~~an elected~~ a township assessor may receive per diem compensation, in addition to salary, at a rate fixed by the county fiscal body, for each day that he is engaged in reassessment activities, **including service on the county land valuation commission.**

(b) Subsection (a) applies regardless of whether professional assessing services are provided to a township under contract.

SECTION 107. IC 36-6-8-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 6. (a) A township assessor who becomes a certified level 2 Indiana assessor-appraiser is entitled to a salary increase of one thousand dollars (\$1,000) after ~~his~~ **the assessor's** certification under IC 6-1.1-35.5.

(b) A certified level 2 Indiana assessor-appraiser who replaces a township assessor who is not so certified is entitled to a salary of one thousand dollars (\$1,000) more than ~~his predecessor's~~ **the salary of the person's predecessor.**

(c) **An employee of a township assessor who becomes a certified level 2 Indiana assessor-appraiser is entitled to a salary increase of five hundred dollars (\$500) after the employee's certification under IC 6-1.1-35.5.**

(d) A salary increase under this section comprises a part of the township assessor's ~~or employee's~~ base salary for as long as ~~he~~ **the person** serves in that position **and maintains the level 2 certification.**

SECTION 108. [EFFECTIVE JANUARY 1, 2001 (RETROACTIVE)] (a) **An assessing official is not required to issue a notice of change to a taxpayer's assessment (a Form 11, as prescribed by the state board of tax commissioners or the department of local government finance) as a result of the change in the definition of assessed value from one-third (1/3) of the true tax value of property to one hundred percent (100%) of the true tax value under P.L.6-1997. A taxpayer may not appeal an assessment on the basis that the assessed value of the property has increased as a result of the change in the definition of assessed value under P.L.6-1997, or that no Form 11 notice was issued.**

(b) **This SECTION expires December 31, 2002.**

SECTION 109. [EFFECTIVE JULY 1, 2001] **IC 6-1.1-37-9, as amended by this act, applies to interest with respect to property taxes for which the original due date or dates are after December 31, 2001.**

SECTION 110. [EFFECTIVE JULY 1, 2001] **IC 6-1.1-12-40, as added by this act, applies to property taxes first due and payable after December 31, 2001.**

SECTION 111. [EFFECTIVE JULY 1, 2001] **The following, all as amended by this act, apply to property taxes first due and payable after December 31, 2001:**

IC 6-1.1-10-18.5

IC 6-1.1-10-21

IC 14-23-3-3

IC 15-1.5-8-1.

SECTION 112. [EFFECTIVE JULY 1, 2001] The following, each as amended by this act, apply to property taxes due and payable after December 31, 2002:

IC 6-1.1-3-7

IC 6-1.1-3-7.5

IC 6-1.1-4-12.6

IC 6-1.1-8-30

IC 6-1.1-8-31

IC 6-1.1-8-32

IC 6-1.1-10-16

IC 6-1.1-11-3

IC 6-1.1-11-3.5

IC 6-1.1-11-8.5

IC 6-1.1-12-28.5

IC 6-1.1-12-35

IC 6-1.1-12-40

IC 6-1.1-12.1-5.5

IC 6-1.1-15-10

IC 6-1.1-15-12

IC 6-1.1-20.8-2

IC 6-1.1-20.8-3

IC 6-1.1-37-7

IC 6-1.1-40-11.

SECTION 113. [EFFECTIVE JANUARY 1, 2000 (RETROACTIVE)] (a) This section applies to a nonprofit fraternal organization that:

(1) owns property and conducts the business of the organization in a city having a population of more than thirty-five thousand (35,000) but less than thirty-seven thousand (37,000);

(2) previously was determined by the auditor of the county in which the property is located to be eligible to receive the property tax exemption under IC 6-1.1-10-16(b); and

(3) is not eligible for the property tax exemption under IC 6-1.1-10-16(b) for property taxes due and payable in 2001 because the not for profit fraternal organization failed to timely file an application under IC 6-1.1-11-3.5.

(b) Notwithstanding IC 6-1.1-11-3.5, the auditor of the county in which the property described in subsection (a)(1) is located shall:

(1) waive noncompliance with the timely filing requirement for the exemption application in question; and

(2) make the appropriate exemption.

(c) A property tax exemption granted under this SECTION applies to property taxes first due and payable after December 31, 2000.

(d) This SECTION expires December 31, 2001.

SECTION 114. [EFFECTIVE JANUARY 1, 2002] (a) For purposes of this SECTION, a taxing district in a township includes a taxing district located wholly or partially in the township.

(b) Before November 1, 2004, the department of local

government finance shall publish a report listing the assessed value of all exempt property in each taxing district in the state listed in the tax duplicate prepared under IC 6-1.1-22-3 for March 1, 2004.

(c) The department of local government finance shall adopt rules under IC 4-22-2 to carry out this SECTION.

(d) This SECTION expires January 1, 2006.

SECTION 115. [EFFECTIVE JANUARY 1, 2002] (a) The department of local government finance shall adopt the rules required by IC 6-1.1-10-36.5, as amended by this act, before July 1, 2002.

(b) This SECTION expires July 1, 2004.

SECTION 116. [EFFECTIVE JULY 1, 2001] Notwithstanding IC 33-3-5-2, as amended by this act, the tax court has exclusive jurisdiction over any case that arises under the tax laws of this state and that is an initial appeal initiated after December 31, 2001, of a final determination made by the department of local government finance if the following apply:

(1) The tax court would have had jurisdiction over the case if the appeal had been initiated before January 1, 2002.

(2) This act does not provide that the final determination is subject to appeal to the Indiana board of tax review.

SECTION 117. [EFFECTIVE UPON PASSAGE] (a) IC 6-1.1-15-3 and IC 6-1.1-15-4, both as amended by this act, apply to petitions for review filed under IC 6-1.1-15-3, as amended by this act, with respect to notices of action of the county property tax assessment board of appeals issued after December 31, 2001.

(b) IC 6-1.1-15-5 and IC 6-1.1-15-6, both as amended by this act, apply to petitions for judicial review of final determinations issued under IC 6-1.1-15-4, as amended by this act, after December 31, 2001.

(c) Petitions for review filed under IC 6-1.1-15-3 with respect to notices of action of the county property tax assessment board of appeals issued before January 1, 2002, that are pending before the state board of tax commissioners on December 31, 2001:

(1) are transferred to the Indiana board of tax review; and

(2) are subject to the law in effect before amendments under this act.

The state board of tax commissioners shall transfer to the Indiana board of tax review by January 1, 2002, the records relating to each petition for review referred to in this subsection.

(d) Appeals initiated under IC 6-1.1-15-5 of final determinations of the state board of tax commissioners issued before January 1, 2002, are subject to the law in effect before amendments under this act.

(e) IC 33-3-5-14, as amended by this act, and IC 33-3-5-14.2, IC 33-3-5-14.5, and IC 33-3-5-14.8, all as added by this act, apply to appeals initiated under IC 6-1.1-15-5, as amended by this act, of final determinations of the Indiana board of tax review issued after December 31, 2001.

(f) The following, each as amended by this act, apply to refunds on refund claims filed after December 31, 2001:

1 IC 6-1.1-26-2

2 IC 6-1.1-26-3

3 IC 6-1.1-26-4

4 IC 6-1.1-26-5.

5 SECTION 118. [EFFECTIVE UPON PASSAGE] (a) The
6 commission on state tax and financing policy (IC 2-5-3) shall study
7 the issue of annual adjustments to the true tax values of real
8 property in Indiana and the need for periodic physical inspections
9 of real property. The commission may recommend to the general
10 assembly any statutory changes necessary or desirable to
11 implement a system for making annual adjustments and any
12 changes to the laws governing general reassessments when an
13 annual adjustment system is in place.

14 (b) This SECTION expires January 1, 2004.

15 SECTION 119. [EFFECTIVE JULY 1, 2001] (a) Until legislation
16 prepared by the Indiana legislative services agency under
17 subsection (b) takes effect, a reference in the Indiana Code to the
18 state board of tax commissioners is, after December 31, 2001,
19 considered to be a reference to the department of local government
20 finance or the Indiana board of tax review, as the context requires.

21 (b) The Indiana legislative services agency shall prepare and
22 present to the legislative council proposed legislation to correct
23 internal references in the Indiana Code to account for:

24 (1) the creation by this act of the Indiana board of tax review
25 and the department of local government finance; and

26 (2) the abolition by this act of the state board of tax
27 commissioners.

28 (c) This SECTION expires January 1, 2003.

29 SECTION 120. [EFFECTIVE UPON PASSAGE] (a) Before
30 January 1, 2002, the state board of tax commissioners shall adopt
31 an instructional bulletin detailing the manner in which county
32 property tax assessment boards of appeal are to determine the
33 applicability of property tax exemptions, including the manner in
34 which the boards are to determine if property is not exempt under
35 IC 6-1.1-10-36.5.

36 (b) As part of its review of property tax exemption applications
37 filed in 2002 under IC 6-1.1-11-3 and IC 6-1.1-11-3.5, both as
38 amended by this act, the county property tax assessment board of
39 appeals in each county shall determine whether any part of the
40 property for which exemption is claimed is not exempt under
41 IC 6-1.1-10-36.5.

42 (c) Before January 1, 2003, the county property tax assessment
43 board of appeals in each county shall determine whether any part
44 of the property:

45 (1) listed as exempt on the county's tax duplicate for the 2002
46 assessment date; and

47 (2) for which no exemption application is filed in 2002 under
48 IC 6-1.1-11-3 and IC 6-1.1-11-3.5, both as amended by this act;
49 is not exempt under IC 6-1.1-10-36.5.

50 (d) If the county property tax assessment board of appeals
51 determines that property referred to in subsection (b) or (c) does

not meet the criteria for exemption, the board of appeals shall:

(1) disapprove or revoke the exemption; and

(2) inform the county auditor.

Upon receiving a notice from the county property tax assessment board of appeals under this subsection, the county auditor shall notify the owner of the property by mail. Not more than thirty (30) days after the notice is mailed, the owner may, in the manner prescribed by IC 6-1.1-15-3, petition the Indiana board of tax review to review the disapproval or revocation decision of the county property tax assessment board of appeals.

(d) This SECTION expires January 1, 2004.

SECTION 121. [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]: (a) As used in this SECTION, "assessment date" has the meaning set forth in IC 6-1.1-1-2.

(b) As used in this SECTION, "qualifying city" means a city having a population of more than ninety thousand (90,000) but less than one hundred ten thousand (110,000).

(c) As used in this SECTION, "qualifying corporation" means a nonprofit corporation that:

(1) provides services to:

(A) affiliated hospitals; and

(B) affiliated long term care, intermediate care, residential care, and outpatient care facilities;

(2) on the 1999 assessment date, owned tangible real and personal property located in a qualifying city;

(3) with respect to the 2000 assessment date, filed a property tax exemption application under IC 6-1.1-11 and was granted an exemption for tangible real and personal property:

(A) owned by the corporation; and

(B) located in the qualifying city referred to in subdivision (2); and

(4) with respect to the 1999 assessment date, was denied a property tax exemption for tangible real and personal property:

(A) owned by the corporation; and

(B) located in the qualifying city referred to in subdivision (2);

on the grounds that the corporation failed to file an exemption application for that assessment date.

(d) Notwithstanding IC 6-1.1-11, the county auditor of a county in which tangible real and personal property owned by a qualifying corporation was located on the 1999 assessment date shall treat that property as exempt from property tax for that assessment date.

(e) This SECTION expires January 1, 2002.

SECTION 122. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2002]: IC 6-1.1-4-12.5; IC 6-1.1-4-18; IC 6-1.1-4-19; IC 6-1.1-4-27; IC 6-1.1-4-28; IC 6-1.1-12-35; IC 6-1.1-12.1-5.5; IC 6-1.1-20.8-2; IC 6-1.1-30-1; IC 6-1.1-30-2; IC 6-1.1-30-3; IC 6-1.1-30-4; IC 6-1.1-30-5; IC 6-1.1-30-9; IC 6-1.1-30-11; IC 6-1.1-31-11; IC 6-1.1-31.5-3; IC 6-1.1-34-12; IC 33-3-5-14.7.

- 1 **SECTION 123. An emergency is declared for this act.**
(Reference is to EHB 1499 as reprinted April 10, 2001.)

Conference Committee Report
on
Engrossed House Bill 1499

Signed by:

Representative Bauer
Chairperson

Senator Borst

Representative Dumezich

Senator Simpson

House Conferees

Senate Conferees